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NOMINATION OF JOHN B. WATERS

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

THE NOMINATION OF JOHN B. WATERS TO BE A MEMBER OF THE BOARD OF DIRECTORS, TENNESSEE VALLEY AUTHORITY

JULY 31, 1984

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NOMINATION OF JOHN B. WATERS

TUESDAY, JULY 31, 1984

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 2:05 p.m., in room SD-406, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman of the committee) presiding.

Present: Senators Stafford, Baker, and Randolph.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. The Committee on Environment and Public Works will please come to order.

This afternoon's hearing is in connection with the nomination of John B. Waters to be a member of the Board of Directors of TVA. Mr. Waters, I would like to welcome you back before the committee this afternoon. I say "back before the committee" because, during the 91st Congress, indeed prior to this Senator's service in the Senate, when I was in the other body, you were here for a hearing on your nomination to be Federal Cochairman of the Appalachian Regional Commission. I believe you were confirmed and served in that capacity for over 2 years, and that you served very well.

Mr. WATERS. Thank you, sir.

Senator STAFFORD. I would also like to welcome one of the leading members of this committee, who was its ranking member when I was a junior Senator—the majority leader, Senator Baker, and my old colleague from the House side, Congressman Quillen, and the other witnesses who have come here to take part in these deliberations.

This committee has always sought to ensure that any nominee to the TVA Board we recommend for confirmation is of high caliber and has the necessary capabilities to serve the Authority and the TVA region successfully. We seek that same goal as we consider this nominee.

TVA is unique among Government agencies. Its charges make it responsible for programs aimed at electric power development, navigation improvement, flood control, agricultural improvement, resource development and protection, and economic development. Its leaders must therefore possess a broad range of skills and capabilities.

TVA was created to serve as a yardstick by which other utilities in the Nation would be judged, and it has in recent times become a

national leader in providing innovative solutions to both energy and natural resource problems.

TVA also serves as a model for many developing nations as they struggle with the problems of energy, water resources, and agricultural development. When requested to do so, TVA provides other nations with needed technical expertise.

TVA is therefore more than just a regional organization or electric utility. Consequently, its leaders must be innovative and have broad vision.

In addition, TVA is now undergoing profound changes as an era of rapid construction of power and water facilities comes to a close. It therefore needs strong leadership to ensure that its new role fits the needs of the Tennessee Valley region and the Nation.

Finally, this committee will be watching closely to see that TVA continues its progressive approach toward protecting and improving the valley's environment which David Freeman helped to bring to the authority. A strong commitment to environmental protection and enhancement is an essential characteristic for all TVA Board members.

Mr. Waters, if you are confirmed, you will have a very important and very demanding job. We look forward to hearing from you today on how you plan to meet this great responsibility.

I understand, Mr. Waters, that some of your family are here this afternoon and we welcome them also to this hearing.

At this point, the Chair recognizes Senator Baker.

STATEMENT OF HON. HOWARD H. BAKER, JR., U.S. SENATOR FROM THE STATE OF TENNESSEE

Senator BAKER. Mr. Chairman, thank you very much. I apologize for the seeming haste involved, because this is a real pleasure for me and something that I have looked forward to for a long time. As the chairman has already observed, the signal lights on the clock are for a live quorum which will precede our vote on final disposition of the pending measure before the Senate, and I expect it will be necessary for me to go back, and no doubt for the chairman as well, before very long.

Before I start, Mr. Chairman, may I also say that my colleague, Senator Sasser, had planned to be here today and to join me in introducing John Waters to this committee and to express his support. However, Senator Sasser was called away to the funeral of Jay Solomon, a distinguished Tennessean, which is being held today. Jay Solomon was a former Director of the General Services Administration and a great citizen of our State, and a friend of mine. On behalf of Senator Sasser, I ask unanimous consent that I may insert, immediately following my remarks, a statement by him in support of this nomination.

Senator STAFFORD. Without objection, so ordered. [See p. 5.]

Senator BAKER. Mr. Chairman, I am pleased to introduce to this committee a distinguished Tennessean who comes here as the President's nominee for membership on the Board of Directors of the Tennessee Valley Authority. As the chairman so aptly remarked a moment ago, John Waters has been here before. In 1969, this committee and the Senate approved his nomination as Federal

Cochairman of the Appalachian Regional Commission, and his subsequent service in that office, I believe, fully justified the confidence we placed in him at that time.

I have known Johnny Waters for more than 30 years. He is well known to the people of Tennessee and the people of the Tennessee Valley, as a successful lawyer, as a businessman, as a civic leader, and as a public servant.

In addition to his tenure with the Appalachian Regional Commission, Mr. Chairman, John Waters has served as the Tennessee representative to the southern growth policy board; as a member of the Tennessee Tombigbee Waterway Authority, and as a member of the board of trustees of the East Tennessee Baptist Hospital, which is a most distinguished and extensive medical facility in Knoxville.

He has just completed a very successful term as president of the Tennessee Bar Association. For all of these official and professional honors and for all of his experience in economic and civic affairs of the Tennessee Valley, I believe John Waters' greatest strength lies in his affinity and affection for the people of the Tennessee Valley region. He will be their champion and their friend on the TVA Board; he will be, as he has always been, a masterful mediator of conflicting points of view; he will be an effective leader in blending all the wide-ranging activities of the TVA into a coherent policy.

And he will, Mr. Chairman, once again I'm sure, richly earn this committee's vote of confidence.

Mr. Chairman, before I present John Waters, I would like to yield, if I may, to my friend and colleague, Congressman Jimmy Quillen, who is the Representative from the great First Congressional District of Tennessee, in which the nominee resides.

Senator STAFFORD. The Chair has known Mr. Quillen long and favorably from our joint House service together, so you are very welcome here, Congressman.

STATEMENT OF HON. JAMES H. QUILLEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. QUILLEN. Thank you very much, Mr. Chairman and Senator Baker, our great majority leader of the Senate. I am delighted to be here to speak in behalf of a man whose accomplishments I admire and whose friendship I value.

The nomination of John B. Waters to the Board of the Tennessee Valley Authority was welcome news in my district, in Tennessee, and throughout the TVA service region. I would urge you and your colleagues to give his nomination speedy confirmation. Nowhere will you find a man more acquainted with the issues addressed daily by TVA, more knowledgable of the resources of the area, or more respected by the residents of the region.

A native of Sevierville, TN, in my district, John Waters has built a lifetime of experience and service to his home State and his Nation. As a young man of 17, while studying at the University of Tennessee, he joined the U.S. Naval Reserves. In 1952, he was commissioned as an ensign and served as a gunnery officer on the U.S.S. *Conway* until 1955.

After attending law school, he built a distinguished career as an attorney and is now a general partner in the firm of Hailey, Waters, Sykes, and Sharp in his hometown. He has served as president of his local bar association and the Tennessee Bar Association.

His years of community and civic service have provided him with a well-rounded perspective on the role of TVA in the valley. He served as chairman of the Sevier County Industrial Development Board, as a member of the Governor's Committee on Economic Development, a member of the Tennessee Industrial and Agricultural Commission, as the State's representative on the southern growth policy board, and is a member of the Tennessee-Tombigbee Waterway Authority, as our distinguished Senator has pointed out.

His prestige and abilities were earlier recognized on the Federal level when, in 1969, he was nominated and appointed as Cochairman of the Appalachian Regional Commission.

As this panel well knows, the ARC engages in the complete spectrum of development and utility expansion, ranging from land reclamation to highway, health, and education programs. It is this period of service that I feel most qualifies Mr. Waters for membership on the TVA Board, as it gave him invaluable experience in assessing the problems, resources, and needs of a specific geographic area, as well as experience in directing Federal efforts toward meeting those needs.

Being a Tennessean himself, and having made it clear that his roots are, and always will be, in the Tennessee Valley, Mr. Waters enjoys the trust and confidence of the people that can only be bestowed on one of their own.

So, Mr. Chairman, I bring you the message that all those Tennessee Valley residents who know John Waters would bring to you, if they could be here today: We know him, we respect him, and we want him on the TVA Board. I urge that this committee and the full Senate confirm President Reagan's nomination of John B. Waters as quickly as possible, and I am delighted that his family, his lovely wife and daughter and others from his home town and the area are here.

Mr. Chairman, it is a distinguished pleasure to appear in his behalf.

Senator STAFFORD. Thank you very much, Congressman.

Senator Baker.

Senator BAKER. Mr. Chairman, thank you very much. We now have not only a quorum going, but a rollcall vote going and if the chairman will excuse me, I would like to return to the Senate Chamber, where I expect the chairman's presence will be expected, as well.

Senator STAFFORD. The chairman is deeply impressed by the recommendations that have been made, both by you, Senator Baker, and by you, Congressman Quillen. In light of the situation on the floor, the Chair is going to have to recess this committee long enough to go over and vote, and then return.

The committee will stand in recess.

[Short recess taken.]

[Senator Sasser's statement follows:]

STATEMENT OF HON. JIM SASSER, U.S. SENATOR FROM THE STATE OF TENNESSEE

Mr. Chairman, and members of the committee. It is with pleasure that I join in welcoming John B. Waters to this panel.

The nomination of John B. Waters to the Board of the Tennessee Valley Authority comes at an important time in the history of the Tennessee Valley Authority. Just last year, many of us joined together to celebrate the 50th anniversary of TVA.

It was a time of reflection and of recommitment. Fifty years of TVA gives us pause to reaffirm and, where necessary, redirect the basic ideals of the TVA Act of 1933.

The importance of TVA must be measured by the quality of service and the level of commitment to the people of the Tennessee Valley. TVA represents a cooperative vision of what people working with people can achieve. In this sense, TVA belongs to the people of the Tennessee Valley, and, indeed, of the Nation. The TVA Board is entrusted with the tremendous responsibility of maintaining the highest standards in promoting the economic, social, and environmental well-being of the people of the Tennessee Valley.

Mr. Waters brings to this committee the sensitivity and experience which I believe is critical to making the tough, day to day decisions at TVA.

As a lifelong resident of Tennessee, John B. Waters is acutely aware of the needs and interests of the people in the area. I trust that Mr. Waters will frequently call upon his neighbors for assistance and guidance in enhancing the quality of life in the Tennessee Valley.

The nomination of John B. Waters to the TVA Board also brings the administrative experience necessary to tackle issues of economic growth, community development and environmental quality. Having served Tennessee and the Nation as Federal co-chairman of the Appalachian Region Commission, I am confident that Mr. Waters will strike a careful balance between development and conservation interests of the Tennessee Valley Authority.

Let me just add that I have had the opportunity to meet with John Waters on two occasions. I found him to be eager to meet the challenges that lie ahead for the Tennessee Valley Authority.

In closing, I am reminded of President John F. Kennedy's charge to the Tennessee Valley Authority. President Kennedy stated, "the work of the Tennessee Valley Authority will never be over. There will always be new frontiers for it to conquer . . ."

In commending the nomination of John B. Waters to the Board of the Tennessee Valley, I trust that Mr. Waters will begin to move the Tennessee Valley Authority towards a new era of promise and partnership with the people of the Tennessee Valley and of the Nation.

Senator STAFFORD. The committee will please come to order.

The Chair wants the record to show, as we resume this hearing, that my colleague and dear friend and the ranking member of this committee, Senator Randolph, was forced to remain at a caucus of one of the two major political parties—I won't say which—to present some very important matters, and that's why he was unable to be here when we started, but he is here now and I will recognize him in just a minute.

But first I will ask that Mrs. Waters and Miss Cindy Waters, and Mr. Waters' nephew James Temple and his wife Marty, might stand up so that we can recognize them as being present. We are very happy you are here.

Now, having listened to the excellent recommendations of Senator Baker, the majority leader, and Congressman Quillen from Mr. Waters' home district, I know that the ranking member of this committee has probably known Mr. Waters longer than any of us, so I particularly welcome you here, Senator Randolph, and invite your remarks.

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OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Thank you very much, Mr. Chairman. You are very thoughtful in explaining why I was not here at the beginning of the nomination proceedings.

Mr. Chairman, I am pleased to join members of the committee in welcoming John Waters to this hearing. Mr. Waters has been nominated by the President to be a Director of the Tennessee Valley Authority. I am hopeful that we can expedite our consideration of this nomination so that he can be confirmed and on the job without delay.

It is particularly important that the Board of Directors have a full membership because it is more than a policymaking body of TVA—it is actually involved in the day-to-day operation of this seven-State organization.

For that reason I am particularly pleased that we have before us a man who was born and raised in the region and who is familiar with the purpose and history of TVA.

I was privileged to have been involved in the creation of TVA in 1933 and to have voted for the legislation which established this unique organization. More than a half a century ago we envisioned TVA as a catalyst which would bring about a multifaceted development of the Tennessee Valley region. It has been enormously successful and after some lapses, TVA is once again the yardstick by which other such enterprises should be measured.

TVA is to many people primarily a giant public utility providing electricity to the region. But its underlying charter is for broad economic and community development to stabilize communities and encourage economic growth. In this respect its charge is similar to that of the Appalachian Regional Commision, part of whose territory it overlaps. Mr. Waters has the distinction of being the first person nominated as a TVA Director who has also served in a high level ARC position. From 1969 to 1971 he was Federal Cochairman of the ARC and as such broadened his knowledge of the region, its needs and the programs established to meet those needs.

Over the years TVA and ARC have worked together and have developed a Memorandum of Understanding to facilitate cooperative efforts. I know that the ARC experience of Mr. Waters will be valuable to him in his new position of responsibility.

Mr. Chairman, again I welcome John Waters to the committee and, I look forward to discussing with him his concept of his new job and the future of TVA.

Mr. STAFFORD. Thank you very much, Senator Randolph.

Now, Mr. Waters, we would be very happy to hear from you.

STATEMENT OF JOHN B. WATERS, NOMINEE TO THE BOARD OF DIRECTORS, TENNESSEE VALLEY AUTHORITY

Mr. WATERS. Thank you very much, Mr. Chairman. Certainly it is an honor for me to be here today with the Majority Leader Senator Baker, and my Congressman Representative Quillen, and certainly to have an old friend such as the distinguished Senator from West Virginia, Mr. Randolph, is more than I deserve, and I am grateful.

Mr. Chairman, it is an honor for me to appear before this committee as the President's nominee to serve on the Board of Directors of the Tennessee Valley Authority.

I first appeared here 15 years ago, seeking the Senate's consent to my appointment as Federal Cochairman of the Appalachian Regional Commission. That consent was given, and I believe my service in that office, together with more than 30 years of business, legal, and civic experience in the Tennessee Valley, has prepared me well for the challenge at hand.

It is, in truth, a variety of challenges that faces the TVA Board as this unique agency begins its second 50 years. TVA is charged by law with fostering the physical and economic development of the valley, with managing flood control and navigational work, with environmental protection and electrical power generation, and with providing a host of economic development and community services for 7 million valley residents.

This is a broad and ambitious mandate, and each of these complex undertakings has stirred its share of controversy in the last half century. Some of this controversy remains active today; few issues have been so contentious, for example, as nuclear power, and TVA operates one of the largest nuclear programs in the country. The Board must shortly decide whether or not to cancel four nuclear reactors until recently under construction, and must also decide what role TVA intends to play in the development of alternative energy technologies.

TVA is also responsible for keeping electricity rates as low as possible, and this is an increasingly difficult task in an era of rapidly escalating energy costs. Because the economic future of the Tennessee Valley rests so heavily upon a dependable supply of competitively priced electricity, TVA must continue to emphasize cost control, operational improvement, and the efficient management of its energy resources.

Helping to shape and strengthen the economic future of the valley is, in my view, one of TVA's most important and difficult assignments. We have come a long way from the days of 1929 when the income of valley residents was 45 percent of the national average. After 50 years of TVA, that figure is now about 77 percent, but we still have a long way to go toward economic parity with the rest of the country.

During 1983, 160 of the 201 counties in the Tennessee Valley region had higher unemployment rates than the national average. Ninety of them had unemployment rates of 10 percent or more, a year and a half into the national "recovery." And 24 of those counties had unemployment rates more than twice the national average.

This lack of parity with the rest of the Nation is the reason the TVA Act mandated an economic development program in the first place, and it is why such a program—modest in funding but major in impact—is essential for the foreseeable future.

This economic development must be balanced with environmental protection and resource conservation. TVA has tried to help strike that balance and must continue to do so.

As a lifelong resident of the valley, I know how proud our people are of the natural beauty that surrounds them, and I know they

expect TVA and other authorities to be jealous guardians of these treasures of clean air, clean water, and unspoiled land. I can promise my neighbors in the valley—and I can assure this committee—that environmental protection and resource conservation will be a major priority of mine on the TVA Board.

Finally, there can be no truly successful resolution of these or other controversies unless the people we serve have the confidence that the TVA Board has listened to them and keeps open lines of communication with them. It is their valley; it is their homes and businesses and farms we serve; and it is their right to be fully informed about what we do in their service. This "open line" leadership is the kind I have always tried to provide in both Government service and private enterprise, and I look forward to continuing that leadership at TVA. I have always tried to find consensus in controversy, and to find workable solutions to difficult problems. I hope to continue that effort at TVA.

I bring experience in the law, in business, in civic affairs and in Government service to this work, but most of all I bring a strong desire to serve the people of the Tennessee Valley who have been my neighbors and friends for more than 50 years, and to help lead an institution which means so much to so many of those good people.

I look on this nomination to the TVA Board as both a great personal honor and a great professional challenge, and I can promise this committee that I will do my best not only to warrant your approval of my nomination, but also to earn your enthusiastic support for my service to the people of the Tennessee Valley.

I thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Mr. Waters, for a very good statement. As I told you when we met in my office, I'm not from the Appalachian regional area, but I have acquired a considerable interest in TVA by traveling about the whole domain with the present Board so that I have some fair grasp, as an outsider, of what the problems are and what TVA is doing and should do.

We have a fairly lengthy series of questions here from which we will select several that I would request that you answer in writing, if that is agreeable, and don't take a long time to write lengthy answers, either. I'd recommend, if you can do it, that you respond to them tomorrow so that this committee might take some further action in connection with your nomination on Thursday.

Mr. WATERS. I will indeed do that.

Senator STAFFORD. I assume that you would be willing to appear at the request of any committee of the House or Senate, before such committee, as a witness?

Mr. WATERS. Yes, sir.

Senator STAFFORD. And I assume that you have no economic affiliations or connections that would place you in a position of conflict of interest in serving in this position?

Mr. WATERS. No, sir, I know of none. I am now a member, as is in my résumé, of the Tennessee-Tombigbee Authority, but I would expect to resign from that when confirmed by the Senate.

Senator STAFFORD. All right.

TVA has recently become a leader among this Nation's utilities in seeking to control emissions from its coal-fired generating facili-

ties, some of which I have had the privilege of visiting. If you are confirmed, will you work to see that TVA retains this position of leadership and innovation in this field?

Mr. WATERS. Yes, Mr. Chairman, I will. I am proud that all 12 of the plants are now in compliance with the standards as set by the Congress and law, and certainly we must continue to work to improve those facilities and improve that quality of our plants.

Senator STAFFORD. In addition to its clean air efforts, which I applaud, TVA has also undertaken innovative initiatives to improve water quality in the valley. Will you also work to foster these efforts and other efforts to improve Tennessee Valley's water quality?

Mr. WATERS. Yes, sir. I am delighted to commit to work for clean water. I think it may well be the new big problem of our Nation and the region.

Senator STAFFORD. Well, thank you very much. You have answered the two most important questions that I had in mind, and at this point I will yield the floor to Senator Randolph.

Senator RANDOLPH. Mr. Chairman, I think that I would want the record to reflect that I have mentioned often here the TVA and then, the later program under ARC. For the record, I would like the present Chairwoman Winifred Pizzano, the Federal cochairwoman, if she would stand, please.

Thank you very much.

Also, I would ask Don Whitehead, a former Federal cochairman of ARC, who is also at the hearing, to stand.

Thank you. Thank you very much.

Mr. Chairman, as I understand it, we will not attempt to vote today; but for the information that you have requested, Thursday would be the actual date; is that correct?

Senator STAFFORD. The Chair hopes and anticipates that we will schedule a vote on Mr. Waters in the course of our meeting on Thursday.

Senator RANDOLPH. So that's the earliest date we can do it.

Senator STAFFORD. That's the earliest date we can do it without possibly infringing on our own rules.

The Chair would reserve the right to other Senators who necessarily can't be here to submit questions in writing if they have any; and again, if that occurs, I would urge Mr. Waters to answer them tomorrow, if he can.

Mr. WATERS. I will be happy to receive those questions, Mr. Chairman, and I'll promptly reply to them.

Senator STAFFORD. It's quite possible that the chairman's questions will be the only ones you'll have to cope with, but we will reserve that right.

Do you have any further questions, Senator Randolph?

Senator RANDOLPH. No, except to reaffirm what you are saying and what I think all members of this committee will say, not in any partisan approach whatsoever, but knowing that the nominee in this case is fully equipped to do a good job; in fact, a great job.

Senator STAFFORD. Thank you, Senator Randolph. Thank you, Mr. Waters. We will go ahead with the witnesses who are here in connection with this.

Senator RANDOLPH. Mr. Chairman, you understand that I must leave now and why? It's best that I be there. I wish that I could continue to hear the other witnesses, but I will read their testimony very carefully before Thursday.

Senator STAFFORD. I understand, and I'm sure other members of the committee will, also.

We have two panels to be heard, and hopefully the Senate will not interrupt us with a vote, but it may. The first panel will be Mr. James Price of the Sierra Club, Knoxville, TN. If Mr. Price would come to the witness table?

Ms. Karen Haese, president, Tennessee Valley Energy Coalition from Kingston, TN.

Ms. Jenny Freeman, who is liaison for Tennessee Citizens for Wilderness Planning, also of Knoxville, TN.

The Chair is advised, ladies and gentlemen, that you have been asked not to exceed 20 minutes amongst you. Not being wise enough to do it, I will leave you to allocate the time among yourselves, but the Chair is going to watch the clock rather carefully. We have to. I would suggest that we go in the order in which I announced your names. I want the record to show before you begin that you have served as a member of an appointment board coalition and that you put in a long year of effort in this matter, so we do value your advice to the committee; and I may have met with you on an earlier occasion when no nominee was in sight.

Glad to welcome you here.

STATEMENT OF JAMES M. PRICE, SOUTHEAST REPRESENTATIVE, SIERRA CLUB

Mr. PRICE. Senator Stafford, my name is James M. Price. I am the Southeast representative of the Sierra Club. I also serve on the steering committee of the TVA Board Appointment Coalition. The coalition was formed in May 1983, to provide information to President Reagan, Senator Baker, other Tennessee Valley Senators, and to this committee as you consider the President's nominee, Mr. John B. Waters, Jr., to fill the upcoming vacancy on the Tennessee Valley Authority Board of Directors.

The coalition represents 43 participating organizations from within the 7-State TVA service area having a combined membership well in excess of 350,000 citizens. A broad base of organizations is represented in the coalition including good government proponents, consumer/ratepayer advocates, environmental organizations, senior citizen groups, minority and women's rights advocates, alternative energy associations, agricultural groups, grassroots economic development organizations, and interdenominational religious bodies.

The purpose of the TVA Board Appointment Coalition, as a citizens' organization, has been to inform the decisionmakers by identifying and recommending capable, well-qualified people as they are suggested by the decisionmakers, the media, citizens, and by potential candidates themselves. The coalition has endorsed a number of individuals whom we feel would bring a sensitivity to environmental quality and broader social concerns, which we believe is most needed on the TVA Board at this time.

A complete listing of the criteria by which the candidates were evaluated is included in our purpose statement, which we would like to submit and request be made a part of the record.

Senator STAFFORD. Without objection, it will be part of the record. [See p. 41.]

Mr. PRICE. Thank you, sir.

One might ask, "Why would the appointment of a TVA Director at this time be viewed as so important to the citizens of the Tennessee Valley as to generate this largest coalition of its kind?" We see this appointment as holding immense significance to us because TVA greatly affects our air, our jobs, our water, our electricity bills, our lands, our wildlife, and our health.

When TVA was created in 1933, it was given a broad mandate in sections 22 and 23 of the TVA Act which reflected a vision that called upon TVA to be much more than simply a power company. Complementing this legislative mandate was the first Board which reflected a balance of training in engineering, law, agriculture, education, and administration. This Board displayed complementary talents in making the TVA experiment in citizen/government partnership an initial reality. The first Directors activated this broad vision in recommending participatory approaches to address the severe economic, conservation, and social problems faced by the valley during the Great Depression.

The legislative mandate, carefully nurtured by its first Board, formed the taproot of TVA's heritage. During this period, TVA developed grassroots participatory approaches blending ecological values into economic development programs, fostering self-reliant communities, and encouraging the protection of the small family farm. These roots have served as a benchmark challenge to subsequent TVA Boards and staff to maintain high standards, not only of technical expertise, but also of ecological stewardship and democratic responsibility.

In the 1960's and early 1970's, TVA lost touch with those roots. During that period, TVA policies were characterized by wasteful and environmentally damaging dam construction projects, such as Tellico; arrogant air pollution policies, and a nuclear construction program based on inflated demand projections that severely strapped the ratepayers of the valley. Only in recent years with increased public pressure and a more balanced Board has TVA once again begun to return toward its roots.

The importance of this appointment to the citizens of the Tennessee Valley is magnified when we recognize that the appointment process is about the only chance citizens have to submit input in guiding TVA's overall direction. We cannot appeal to our public service commissions for oversight of TVA policies. Thus, the TVA Board Appointment Coalition was formed to assist in this decision in recognition of what TVA had once been and what, for good or bad, it can become.

Now a little about the TVA Board Appointment Coalition process. Following the founding of the coalition on May 20, 1983, we contacted approximately 23 persons to determine their interest in the position or to verify their candidacy. We have interviewed 12 individuals. To date, the coalition has endorsed four persons: Sara Balcomb, John Gibbons, Bailey Guard, and Donald Huisingh, and

provided our recommendations to the Valley Senate delegation, Senator Stafford, and the White House. At this time I would like to request that materials relevant to our recommended candidates including the questions that we asked of all candidates, be made a part of the official record of these proceedings.[1]

Subsequent to Senator Baker's recommendation of John B. Waters, Jr., the coalition contacted Mr. Waters and interviewed him on Thursday, April 19, 1984. I would like to request that the coalition's interview report, which was provided to our liaisons, also be made a part of the official record of the hearing.

Senator STAFFORD. Without objection, that will be made a part of the record also. [See p. 53.]

Mr. PRICE. Thank you.

In the interest of time, I would simply summarize that the delegation found Mr. Waters to be friendly, personable, and open to answering questions of our delegation. He also seemed interested in listening to the perspectives of the coalition. The delegation was, however, struck by Mr. Waters' expressed unfamiliarity with the agency's activities in almost every area of concern to the coalition. Moreover, while he spoke often of his general commitment to a number of the coalition's goals, he offered no programmatic ideas to meet those needs. Although Mr. Waters' candidacy had some support within the coalition, there was simply not the enthusiasm for it from the liaisons that there was for the four previously endorsed candidates. Therefore, the coalition liaisons voted to neither endorse nor oppose Mr. Waters' candidacy.

With this background, we would like to request that this committee evaluate Mr. Waters' candidacy with the concerns of the coalition in mind. We would also challenge Mr. Waters, should he be confirmed, and the new TVA Board, to provide leadership in continuing the tenuous progress which TVA has recently made in living up to its mandate as a partner to the people. We would like to discuss in particular three different areas of importance to the coalition, these being economic development and rates, environmental quality, and citizen participation.

Karen Haese, president of the Tennessee Valley Energy Coalition, will discuss the first of these areas.

STATEMENT OF KAREN HAESE, PRESIDENT, TENNESSEE VALLEY ENERGY COALITION

Ms. HAESE. I am Karen Haese, president of the board of directors of the Tennessee Valley——

Senator STAFFORD. All right; the Chair will note that 8 minutes have been consumed of the 20.

Ms. HAESE. Very good. Thank you.

I am president of the Board of Directors of the Tennessee Valley Energy Coalition, and thank you for having me here today.

TVEC is a grassroots community organization composed of senior citizens, working families, and low-income people. TVEC was formed 5 years ago because of the economic and environmental damage TVA was doing to our communities. For example, from

[1] The material referred to, with the exception of the questions asked of the candidates, has been retained in committee files.

1971 to 1982 TVA residential rates increased substantially as compared to the national average. In 1976 alone, TVA rates increased 22 percent as compared to a U.S. average of 2 percent. In 1981–82, we experienced a 26-percent increase in residential electricity rates. Those of you from outside the region may not appreciate the concern this creates in a region where so much of the manufacturing base is concentrated in electric-intensive industries such as aluminum and chemicals, and where 45 percent of families heat their homes with electricity.

By far the greatest factor in these electricity price increases has been the construction of very expensive and potentially unsafe nuclear power plants at a time when actual power use is declining steadily. Despite broad public resistance to unfair and unnecessary price increases, it took TVA years to get the construction program under control; $2 billion ratepayers have been thrown away on plants we can't use.

As you consider the nomination of Mr. Waters, we would ask that you keep in mind the following ways in which the TVA Board can make sure our electric bills remain at or near the rate of inflation.

First, oppose any further attempts to subsidize a handful of TVA's largest industrial customers as they seek to abolish the residential hydropreference rate. When we talked with Mr. Waters, he seemed somewhat reluctant to defend this residential preference, which saves the average family over $100 per year and is mandated by law. The industries demanding lower industrial rates through what amounts to a tax on residential ratepayers employ less than 2 percent of the valley labor force. TVA has already accommodated them with very favorable interruptible rates. Should you confirm Mr. Waters as TVA Director and he reverses this longstanding TVA policy, 2.5 million ratepayer families will not regard it with favor.

Second, currently the TVA Board is reviewing staff recommendations regarding the possible cancellation of several nuclear powerplants. We encourage the Board to cancel those expensive plants which are presently deferred due to lack of demand for that power. Power use in the region reached a peak 7 years ago. Why do we need expensive new capacity at $2,000 to $3,000 per kilowatt-hour?

Third, continue work to develop promising new coal technologies. We've been somewhat skeptical of the trend of closing down existing coal plants in order to justify new nuclear construction. We've already lost several hundred jobs this way. AFBC and other technologies promise to let TVA use our abundant local coal resources cleanly and efficiently. But we caution Mr. Waters: Let's not again fall into the trap of pouring billions into fancy new technologies before we know for sure what the economic and environmental costs are going to be.

Fourth, promote affirmative action among TVA's 160 local power distributors, through public education and contract enforcement. Many distributors still employ far too few blacks, women, and Native Americans in relation to their local populations. This is particularly true of management positions.

We are also very concerned about TVA's nonpower programs. When TVA was initiated in 1933, one of its major goals was to

create jobs for the valley. Yet, for 10 years per capita income has stagnated at barely three-fourths the national average. The latest economic depression hit us much harder than the rest of the Nation; and in fact, valley employment was lower even than neighboring areas of the upper South. What activities TVA has pursued seem for the most part to be little more than unimaginative smokestack chasing on a beggar-thy-neighbor basis.

We want TVA to place more emphasis on grassroots economic development. Congress' broad mandate to TVA to innovate, coordinate, and facilitate make the agency a tremendous regional resource. Mr. Waters and other TVA Directors would have a responsibility to assure us that the agency has not lost sight of its role in helping us attain economic growth that is job intensive and appropriate to the skills and aptitudes of our local labor force; that is not so vulnerable to cyclical downturns and foreign competition as is the declining heavy manufacturing firms which make up so much of our industrial base; that is not so extremely damaging to our priceless air, land, water, and wildlife resources as has been the concentration of primary metals, chemicals, and extractive industries that depend on TVA for cheap energy or as the primary market; that is democratic—that is, all segments within the affected communities and the workers themselves need to have an important role in deciding what jobs get created, what types of firms are recruited, and that they are sensitively located.

TVA has begun to move in some of these directions. But the Directors could do much more, and should spend less time on boosterism and more time coordinating integrated public/private sector initiatives to reinforce self-sustaining growth; extend and apply the market deficit studies already undertaken, to guide growth based on local resources and the existing workforce, to meet local needs and markets; and focus more on helping small enterprises rather than the industrial giants; encourage innovative self-help projects on the part of everyday citizens rather than opportunism by the elites that sometimes dominate our local economies; help communities undertake realistic cost/benefit analyses of alternative development strategies, and pay special attention to reducing unemployment among women, blacks, and the unskilled. We've suffered a dual economy for too long, where a few pockets of prosperity exist among continuing poverty and insecurity for most of our citizens.

Finally, we want to make sure that TVA takes very seriously its own responsibility as one of the area's largest employers. TVA should vigorously pursue affirmative action programs. When certain programs prove redundant or ineffective, we believe TVA has an obligation to help laid-off workers acquire marketable skills and find new jobs. TVA has been among the strongest supporters of collective bargaining in the region. With Mr. Waters 'appointment, we want that tradition to continue.

Jenny Freeman will now discuss the coalition's recommendations regarding TVA's future role in the areas of environmental quality and citizen participation.

Senator STAFFORD. The Chair will now recognize Ms. Freeman. There are 5 minutes remaining.

STATEMENT OF JENNY FREEMAN, LIAISON, TENNESSEE CITIZENS FOR WILDERNESS PLANNING

Ms. FREEMAN. Thank you, Mr. Chairman. I am Jenny Freeman; I am the liaison representative to the Coalition from Tennessee Citizens for Wilderness Planning. I am also a member of the steering committee of the TVA Board Appointment Coalition.

I am here today because we believe conservation values are an integral part of the original and future missions of TVA. The word "conservation" receives equal emphasis with the word "development" in the TVA Act. Through the diligent efforts of the citizen of the Tennessee Valley and our conservation organizations, as well as through the work of recent TVA Boards—in particular, of David Freeman and Richard Freeman—TVA has begun to make some progress in addressing air- and water-quality issues in the Tennessee Valley. Since 1977, TVA has invested nearly $1 billion to reduce its sulfur dioxide emissions by over 1 million tons per year, albeit in response to court settlement.

TVA has taken an active role in encouraging the cleanup of water-quality problems at such places as Triana, AL, and in East Fork Poplar Creek near Oak Ridge, TN, where DDT and mercury pollution present enormous problems. TVA has recently implemented a number of programs encouraging the use of solar technology and energy conservation. For example, over 800,000 homes in the valley have received energy audits and low-cost financing.

However, Mr. Waters would join a Board which faces much work to be done in these areas. The water quality of half of the Tennessee reservoirs is suffering from depletion in oxygen demand. TVA still needs to persevere in its pursuit of good corporate air stewardship. Vital Tennessee Valley resources, including the Great Smoky Mountains National Park, face an external threat from acid rain which could severely damage the flora and fauna of the region as well as have an impact on the tourism economy, much of which is based on the valley's scenic beauty.

There is concern throughout the valley and this Nation regarding how to innovatively deal with hazardous waste and ground water problems. TVA has the ability to apply its larger vision in an environmentally sensitive manner in addressing those needs. TVA also needs to apply greater effort to reverse its embarrassing nuclear safety record.

TVA's efforts in addressing land use issues and concerns have been, at best, half hearted. TVA could serve as an international model for reducing soil erosion and preserving prime agricultural land from such encroachments as urban/industrial development and the proposed Columbia Dam. TVA has a sound prime agricultural land preservation policy; and for the record, I'd like to say that we are now seeking committed action on that policy. TVA could assist the State and local governments through addressing land use conflicts and through ecologically sensitive industrial recruitment and siting approaches. The TVA Reservoir Land Management Program staff needs more support in expanding its Citizen Involvement Program throughout the Tennessee River basin. TVA could also play a stronger role in education and innovation to encourage sound, democratic land use planning in the Tennessee

Valley. As an institution, TVA has yet to come to grips with these challenges.

In summary, there have been recent accomplishments by TVA on the environmental front, but much yet remains to be done. Those remaining challenges are perhaps the most complicated, calling for creative, innovative leadership. The bottom line is that if TVA is to be an enlightened development organization in the coming decades, there must be a recognition that a sound economy is dependent upon a quality environment.

Briefly, regarding citizen participation, let me say that there are license plates on the automobiles of many TVA employees which read, "TVA Serves Us All." If TVA is in fact to serve us all, then TVA is going to have to expand the role of all citizens' constituencies in every facet of its activities. Over the past few years, TVA has made some progress in developing citizen involvement techniques such as the establishment of the Citizen Action Office and the Citizen Action Lines, holding Board meetings throughout the valley, and involving citizens at constituency meetings to periodically interact with the TVA Board. But to date, the TVA Board does not remain formally accountable to the citizens of the valley.

We feel it is important for citizens to have the opportunity to be involved at the beginning and throughout processes of policy and program planning and design, implementation, and evaluation. We challenge Mr. Waters and the new TVA Board to foster this demonstration of openness, partnership, and accountability.

TVA is a product of great vision, as Senator Randolph so eloquently addressed. That original vision calls upon TVA Boards and employees to maintain the absolute highest standards of technical expertise, ecological stewardship, and democratic responsibility. In order to effectively work in partnership with the citizens of the Tennessee Valley, TVA needs world-class leadership. We look to the Board that Mr. Waters would join to expand its partnership with the people in ways that recognize the values we represent. If TVA chooses to look away, quite frankly, we fear for its future. In any event, we citizens of the Tennessee Valley intend to have a say in TVA's future as we believe it will continue to greatly affect ours. We trust this committee to review Mr. Waters and other nominees in the future with our profound concerns in mind.

Thank you very much, Mr. Stafford.

Senator STAFFORD. Thank you all very much. I am glad that Mr. Waters was here to hear you all, because he will know what you're going to expect of him and he will be assured that somebody besides this committee will be keeping an eye on what he does.

But I have confidence in his ability to satisfy you and the committee in the way he will conduct his affairs as a member of the Board.

So, for the committee, I thank you all very much indeed for all of the time and effort you have put into being a part of this selection process. We appreciate it.

We have one more panel this afternoon, and that will be Mr. Richard Ayres, Mr. William Chandler, and Ms. Debra Bleviss. Would you come forward to the witness table, and we will proceed.

We would appreciate, if you could summarize in 5 minutes in each case since your full statements, where we have them, will be

made a part of the record. We'll go in the order in which I called your names, which means Dick Ayres, who is senior attorney, Natural Resources Defense Council and no stranger to this committee, you're No. 1.

STATEMENT OF RICHARD E. AYRES, SENIOR ATTORNEY, NATURAL RESOURCES DEFENSE COUNCIL

Mr. AYRES. Thank you, Mr. Chairman. I hesitate to testify on this nomination since I'm going to be the only person up here, I think, with an accent.

But we want Mr. Waters to know that us folks with the funny Yankee accents are interested in TVA too.

My name is Richard Ayres. As you know, I am chairman of the National Clean Air Coalition, but today I am testifying in my capacity as senior attorney, Natural Resources Defense Council. NRDC is a national environmental organization with about 40,000 members. And over the past 15 years, NRDC's clean air project has played a major part in shaping Federal air pollution policy.

I am here today to testify on the nomination of John Waters to the Board of TVA because we believe this appointment is of major national significance.

TVA is one of the largest corporations in the world. The three members of TVA's Board exercise more power than most of the better known leaders in business and Government in this Nation.

Appointment to the Board also carries great responsibility. Besides its immense size, TVA is a public corporation, created by an act of Congress. Its mission is twofold: to serve the people of the Tennessee Valley, and to serve the people of all the United States. Because it is a public corporation, TVA can be a laboratory and a yardstick for the development of new and innovative technologies and solutions to public problems.

For this reason it is crucial that a nominee to the Board pledge himself or herself to a broad national vision of TVA's mission. Mr. Waters' predecessor, David Freeman, believed strongly that TVA should be a model that could be emulated nationwide. Mr. Waters can enhance his own and TVA's national reputation by pursuing a similarly broad vision.

Air pollution control, the area I am most concerned with, is one area where this broad perspective is most important. TVA is the Nation's second-largest, coal-fired utility. In the national interest, TVA can and should be a leader in developing and applying technology to minimize the effects of air pollution caused by coal.

In recent years TVA has taken up this challenge, but the agency has not always had an enviable air pollution control record. During the early 1970's, TVA attempted to minimize its pollution control obligations by installing tall smokestacks—an idea, incidentally, which was condemned by the U.S. Supreme Court in 1906 in a case that involved a smelter in East Tennessee. TVA adopted at that time an aggressive litigation strategy to defend this policy.

Beginning in 1976, I was lead attorney for a coalition of national and local environmental organizations that sued TVA to get it to abide by the Clean Air Act. TVA was at that time the Nation's largest industrial polluter. But NRDC was also interested in the

litigation because of a sense of the potential for TVA to show the Nation that using our abundant supplies of coal and protecting our atmosphere were not inconsistent. To TVA's credit, the agency chose to settle the litigation and work out an expedited schedule to control air pollution.

Since that lawsuit, TVA has once again become a leader. TVA has accomplished a reduction of 1 million tons per year in sulfur oxide emissions, halving its emissions in about 5 years.

TVA's compliance is particularly significant nationally as Congress considers acid rain control legislation.

As a result of its cleanup program, TVA can now meet the requirements of the Clean Air Act.

With so much accomplished, one might imagine that the next Board would not necessarily have to face the issue of air pollution. But that is not the case; it will remain a major item. And if TVA is to maintain its national role, Mr. Waters and his fellow Board members will face a number of important challenges in this area.

First, having shown how to fashion a major pollution control program at a reasonable cost, TVA will need now to demonstrate a program of operation and maintenance and continuous emission monitoring to continue to safeguard the skies. To reap the full benefits of TVA's billion-dollar investment in clean air will require continued attention from the Board.

I should add that I was pleased by Mr. Waters' statement in response to your question earlier, that this would be a major priority for him.

TVA also has perhaps the most important demonstration program for new pollution control technologies in this country. At the Shawnee plant, TVA has tested additives to increase the effectiveness of sulfur oxide scrubbers; it has built a demonstration boiler for atmospheric fluidized bed combustion, an inherently clean technology; and it has installed the world's largest bag house facility to control particulate pollution. In the national interest, this program needs to be continued and expanded. In particular, TVA should undertake an evaluation of a promising new sulfur oxide removal technology, called limestone injection multistage burning, or LIMB, which may have the capability of drastically reducing the cost of controlling acid rain.

TVA also needs to continue and expand its program to evaluate the effects of acid rain.

TVA will need to continue to play a creative role in the acid rain debate. Private utilities have so far chosen to reject any responsibility for redressing this major ecological and economic problem. TVA's willingness to accept the need for public action, and its involvement in the process of shaping legislation, has been a refreshing contrast.

Finally, the new TVA Board is likely to face the need to adopt further air pollution control measures in response to acid rain control legislation when it passes. Thoughtful planning ahead can reduce the impact of such a program on rates, and provide information to Congress and other decisionmakers to assure the program adopted by Congress is based on realistic cost estimates.

In summary, in the past 7 years the TVA Board has taken some long steps toward making TVA a model for the rest of the Nation.

Mr. Waters and the new Board will face new challenges if they are to continue along that path. As he takes on this responsibility, he should know that the eyes of the Nation will be watching; and, I might add, wishing him well.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Mr. Ayres, and the chairman of this committee will be watching also, having visited a number of plants as far as sulfur oxide emissions are concerned, including the one with atmospheric fluidized bed combustion. I'll look forward to construction of a larger commercial unit that uses the same process.

I regret to have to tell the other two members of the panel that there is now a vote in progress, nearly half through, so I have to offer you the option of testifying without a member of the committee here, or waiting until I can get back. If you are willing to wait, I will come back. If you would rather go ahead and have staff take your testimony, we will do it that way. Do you have any preference?

Ms. BLEVISS. I think we would be comfortable with submitting our statements for the record.

Senator STAFFORD. Putting your statements in the record? All right, in that event, without objection, we will place each of your statements in the record, and until the second bells actually ring, if you have a very quick minute summary you would like to give us, we'll hear it.

STATEMENT OF DEBRA BLEVISS, BERNARD L. SCHWARTZ FELLOW IN ENERGY AND ENVIRONMENT, FEDERATION OF AMERICAN SCIENTISTS

Ms. BLEVISS. My name is Debra Bleviss. I am president of the Energy Conservation Coalition, and I am speaking here in my capacity as Bernard Schwartz Fellow in Energy and Environment.

I would just like to make a few quick comments which I hope Mr. Waters will consider.

First of all, the rest of the Nation really does regard TVA as having been a leader in the area of energy conservation and in taking a new and innovative and far-reaching approach towards the energy issue.

We would like to urge that TVA's progress not stop at this point, but continue in the future. In my statement I have listed three major areas where I consider TVA's conservation work needs to continue tremendously. One is in residential energy conservation efforts; one is with low-income energy assistance, namely, weatherization of low-income homes; and the last one is in assistance in energy conservation to small and medium commercial and industrial businesses.

I'll let Bill continue.

Senator STAFFORD. Mr. Chandler, do you have a——

Mr. CHANDLER. Let me make a quick, 20-second statement here.

STATEMENT OF WILLIAM U. CHANDLER, SENIOR RESEARCHER, WORLDWATCH INSTITUTE

Mr. CHANDLER. I just would like to say that Mr. Waters' nomination comes at a time when the Tennessee Valley Authority seems to lack public support and a national mission more than at any other time in its history.

Hundreds of thousands of valley citizens have organized to express their frustration with the way TVA is run and the way this process has worked. I think Mr. Waters' performance will, to a large extent, determine whether they will continue to be satisfied with this process.

Senator STAFFORD. I think you have all outlined a very challenging responsibility for Mr. Waters for the next several years, and I think we will all be watching to see that he meets that challenge.

Thank you for helping the committee. The chairman is going to vote, and the committee at this point stands adjourned.

[Whereupon, at 3:30 p.m., the committee recessed, to reconvene at the call of the Chair.]

[Mr. Waters' responses to written questions, a résumé and financial statement, and statements and other material submitted for the record follow:]

JOHN WATERS' RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SENATOR STAFFORD

Question 1. In what ways do you think TVA can continue to serve as a National leader in resource and development and protection?

Answer. By virtue of TVA's unique working relationship with the Congress and state and local governments, I believe it is especially qualified to provide leadership by example in many areas of resource development and environmental protection. For instance, TVA's Land Between the Lakes project represents a maximum utilization of a region's available resources by combining environmental education, outdoor recreation, and resource management. In the area of environmental protection, I would cite TVA's on-going research of emissions reduction through the use of atmospheric fluidized bed combustion (AFBC) technology as a case of the Agency's being ahead of the national curve. In these and other similar areas, I feel TVA is able to draw on a wealth of technical expertise and public support to break new ground with respect to development and protection of our nation's natural resources.

Question 2. What types of specific initiatives do you think TVA can or should take to help insure health economic growth in the Tennessee Valley area?

Answer. Rather than submit a laundry list of untried new ideas, I would suggest that TVA can help to insure economic growth by continuing to emphasize those proven elements of regional economic development which served the valley so well in the past: an abundant supply of reasonably priced electrical power; enhanced modes of transportation on the valley's waterways; increased availability of water resources; improved agricultural production through soil conservation and flood control; and recreational opportunities which serve valley residents and attract visitors. Specific initiatives to improve economic growth cannot fail if they are firmly founded upon these basic elements.

Question 3. Some people have said that over the past few years morale among TVA employees has been low. Do yo believe this to be the case, and if so, how would you go about correcting this problem?

Answer. Morale among TVA employees has been low the past few years. Cancellation of nuclear units construction and other factors have caused approximately 20,000 lay-offs. A general reorganization has caused a number of transfers resulting in moving employees and their families in some instances. TVA should quickly stabilize the work force and organization which will restore confidence to the employees. There may be other factors involved in employee morale which I am not aware of. I expect to give this matter the attention required to improve the situation.

Question 4. Do you believe TVA should continue to heavily promote energy efficiency in its service area as an alternative to adding new increments of power production?

Answer. Yes, TVA should continue to promote energy efficiency and conservation, not only as an alternative to new power production, but as a general principle. Such promotion will serve not only TVA customers through continued low energy rates, but also the nation at large, by providing an example and helping to assure national energy security.

Question 5. Realizing that you will probably have to study the issue a great deal more before arriving at any final conclusions, what do you believe are the important factors to be considered in making a final decision on the disposition of Columbia Dam?

Answer. Factors I would consider in making a final decision on the Columbia Dam are: (1) the amount of money already spent on the project; (2) the cost to complete the project, including economic, environmental and sociological costs; (3) the cost to cancel the project; (4) benefits to be derived from the completed project; and (5) alternative uses of the land and benefits which might be expected from such uses.

Question 6. The Board will soon decide whether or not to cancel four deferred nuclear generating units. What types of factors do you believe should be considered in making such a decision?

Answer. I would consider the following factors in deciding whether or not to cancel four deferred nuclear generating units: (1) projections for needed electric power during coming decades; (2) cost of keeping plants in deferred status while future needs for electrical power become better known; (3) ability of conservation to compensate for future increased power demands; (4) cost per kwh of the finished nuclear units compared to the cost per kwh of new coal-fired units and including an analysis of the money already spent on the units.

Question 7. TVA presently charges its residential customers less for power than it does for its industrial customers. Setting aside any legal questions for the moment, do you believe TVA should strive to equalize this difference in rate schedules? If so, why?

Answer. TVA must make every effort to keep the cost of electricity as reasonable as possible. Equalization of rates between residential and industrial users is not as important as keeping both rates as low as possible and striving to keep industrial rates competitive and encouraging new and expanding industry.

Question 8. Do you believe there are adequate opportunities now for citizens to participate in TVA decision making process? If not, how do you think those opportunities could be increased?

Answer. TVA must continue to find ways for citizens to participate in the decision making process. As I said in my opening statement, the people we serve must have confidence that the board has listened and keep open lines of communication. I will consider it my responsibility to consult with citizen groups and other interested groups before important decisions are made.

JOHN WATERS' RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SENATOR HUMPHREY

Question 1. TVA has recently received criticism from some segments of the economic and environmental communities for its role in helping and serving as a model for development in lesser developed countries. Could you comment on this please? (Such criticisms have been included in the book *The Myth of TVA* by William Chandler and the article "Why TVA Failed" by Jane Jacobs.)

Answer. I understand that TVA has had a very long history of serving as model for, furnishing advisers to, and receiving visitors from resource conservation and economic development projects in many countries—both developed and developing. The type of expertise or advice furnished has varied greatly, reflecting the variation in the nature of the projects themselves. Some of these projects have been very successful, others have been failures. I know of no instance in which TVA advisers or the use of TVA as a model has been identified as a factor in the failure of any such project. The continued popularity of TVA as a stop for foreign visitors and officials indicates that they think it may have helped. TVA's critics, both its old and new, have charged that TVA has tried to sell the physical design of the TVA system, particularly multipurpose dams, to other countries. However, I believe that TVA's reservoir system made sense in the particular geographic, economic, and cultural context that it evolved but that it might not in other contexts.

Question 2. Do you believe that there are any significant inefficiencies in TVA's management structure or operation that need to be corrected? If so, how will you go about correcting these?

Answer. I do not know of any significant inefficiencies in TVA's management structure or operation at this time. TVA has recently make a number of changes in its organizational structure with the aim toward achieving greater management efficiencies. These changes should be carefully monitored and evaluated. I intend to study the operation with the goal of cost reduction and increased productivity. I feel some improvements can be made.

Question 3. Some in Congress have suggested that there needs to be a fundamental restructuring of the TVA Board to be composed of 9 or 11 members who would serve on a part-time basis. Do yo believe such an idea has any merit?

Answer. In my opinion the three member board has, for the most part, worked well. I do not believe a 9 or 11 member board of part-time directors would improve the operation. Certainly we need to look for ways to improve management and I would welcome further study. We must keep in mind that restructuring the TVA Board would require going into the TVA Act itself.

JOHN WATERS' RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SENATOR DOMENICI

Mr. Waters, for some time I have been concerned, as have a number of other Senators, about our growing dependence on foreign suppliers for the fuel for our nuclear reactors. In 1983 the Tennessee Valley Authority (TVA) received 75 percent of its fuel from foreign sources. I understand that this level of imports was not due directly to a policy decision of the TVA Board, but I am alarmed that TVA was recently quoted as stating "we have no problem with foreign-origin material" (Nuclear Fuel, March 26, 1984).

Question. Utilities have continuously expressed a desire to keep a balanced supply of uranium. In testimony before my subcommittee they have said that they wish to keep a significant component of domestic uranium in their supply. I hope the TVA gives some consideration to the security of its fuel supply and that this rather flippant quote is not an indication of how the TVA Board feels or how you would operate as a Member of the Board. Can I expect you, Mr. Waters, to keep this issue in mind as you perform your duties as a Member of the Board of the TVA?

Answer. While I do not have all the facts behind the quotation you cite, it is my understanding that TVA has purchased some foreign uranium but primarily through domestic producers. I will certainly have TVA provide you with the relevant statistics. I am happy that domestic supplies can provide this material in a cost-effective way, but TVA must inthe future balance its desire to purchase a secure fuel supply from domestic sorces with its mandate to provide power at the lowest rates. I can assure you that as a new board member I would recommend at all times domestic purchasers, if justified by economic consideration, tempered, of course, by the need to maintain secure uranium sources in the future.

FINANCIAL DISCLOSURE REPORT

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Type of Report: X New Entrant, Nominee or New Candidate	Termination Report	NOTE: All schedules must be filled. Enter "None" in areas or schedules where there is no data.	Agency Use Only (Month, Day, Year)

OGE Use Only: JUL 26 1984

Last Name	First Name and Middle Initial
Waters	John B. Jr.

Title of Position	Department or Agency (If Applicable)	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
Member, Board of Directors	Tennessee Valley Authority		

Address (Number, Street, City, State and Zip Code)	Room Number	Telephone No. (Include Area Code)
Professional Building, Sevierville, TN 37862		615/453-2877

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Name of Congressional Committee Considering Nomination	Do You Intend to Create a Qualified Diversified Trust?
U.S. Senate Environment and Public Works	☐ Yes ☒ No

Title of Position(s) and Date(s) Held
None

Signature of Reporting Individual	Date (Month, Day, Year)
John B Waters, Jr	6/20/84

Signature of Designated Agency Ethics Official Reviewing Official	Date (Month, Day, Year)
Herbert S. Sanger, Jr. Designated Agency Ethics Official	July 25, 1984
Signature	Date (Month, Day, Year)
David H Martin	7-26-84

(If additional space is required, use the reverse side of this sheet)

See Herbert S. Sanger, Jr.'s July 25, 1984, letter to David H. Martin, Director, Office of Government Ethics, which is incorporated herein by reference.

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or Sevier County

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John B. Waters, Jr.

JUN 21 [illegible]

					Interests in Property					
					Value of Assets					
					$1,000 or less	$1,001 - $10,000	$10,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $250,000
Greystone, Inc. I am one of four stockholders owns and operates Howard Johnson Motor Lodge Gatlinburg, Tennessee	X		X		A					X
Greyrock, Inc. Same as Greystone except owns and operates Greystone Hotel, Gatlinburg, Tennessee	X	X			A					X
Waters, Inc. Family owned, manages real property. I own 1/4th of stock		X			A		X			
Mountlanoo, Inc. Owns mountain land. I own 1/3rd of stock		X			A			X		
Waters Brothers & Hailey a partnership. I own 1/3rd collects rent and manages real estate		partnership distribution		30,000.00	A					X

SF 278—Financial Disclosure Report
(Rev. 6-91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust? ...		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interest or responsibility; 2. They are not, in any way, past or present, derived from your income, assets, or activities; 3. You neither derive, nor expect to derive, any financial or economic benefit from them; and 4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 3 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 21 '94

Spouse (S) or Dependent Child (DC)	Identification	Income: Type of Income (✓)							Income: Category of Amount or Value (✓)										Interests in Property: Valuation of Assets (✓)							
		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if "Honoraria"	Valuation Method	None (or less than $1,001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	$250,001-$500,000	Over $500,000
	Waters & Waters a partnership. I own 1/2 collects rent and manages real estate	X						partnership									5,200.00		A				X			
	D&J Company a partnership. I own 1/2 collects rent and manages real estate	X						partnership									4,300.00		A							X
	John B. Waters, Jr. Rentals collects rent and manages real estate that I own all interest in (3 dwelling houses)	X															6,000.00		A				X			
	J.B. Waters, Jr., Farm small farming operation. I own.								X										A			X				

SF 278—Financial Disclosure Report
(Rev. 6/81)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interest or responsibility; 2. They are not, in any way, past or present, derived from your income, assets, or activities; 3. You neither derive, nor expect to derive, any financial or economic benefit from them; and 4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number ➤ 4 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUL 21 1984

Identification	Spouse (S) or Dependent Child (DC)	Income: Type of Income (✓)							Income: Category of Amount or Value (✓)										Interests in Property: Valuation of Assets (✓)							
		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount	Only if "Other" Specified	Date (Mo., Day, Yr.)	Only if "Honoraria"	Valuation Method ➤	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	$250,001-$500,000	Over $500,000
NGB									X												A						X
A joint venture which owns 60± acres of unimproved land in Gatlinburg, TN. I own 30%. Also known as North Gatlinburg Property																											
Estate of J.B. Waters (Trust)																											
Joy Street (Two buildings):																											
107 - 3 apartments		X											X								A			X			
107 - 2 office fronts		X											X								A			X			
Corner Court & Joy Building:																					A					X	
Beauty Shop "		X										X															
Florist "		X										X															
Real Estate "		X										X															
Construction Co. "		X										X															
Fire Fighter Store "		X										X															
Duplex - Main Street		X									X										A				X		

SF 278 - Financial Disclosure Report
(Rev. 6-91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interest or responsibility; 2. They are not, in any way, past or present, derived from your income, assets, or activities; 3. You neither derive, nor expect to derive, any financial or economic benefit from them; and 4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 5 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 21 1984

Source (S) or Dependent Child (DC) / Identification	Income: Type of Income (x)							Income: Category of Amount or Value (x)										Interests in Property: Valuation of Assets (x)							
Estate of J.B. Waters (continued)	Dividends	Rent	Interest	Capital Gains	Excepting Trust	Qualified Trust	Other (Specify)	None (or less than $201)	$201-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if "Honoraria")	Valuation Unknown	None (or less than $1,001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	$250,001-$500,000	$500,001-$1,000,000	Over $1,000,000
Jenkins Hill - Pool Room		X								X								A			X				
House - High Street		X								X								A			X				
House Eastgate Road		X								X								A			X				
Cross Road Motel Land Lease		X									X							A			X				
House Jersey Drive		X								X								A		X					
House Jersey Drive		X								X								A		X					
Bruce Street 2 stores		X									X							A			X				
Bruce Street auto		X										X						A			X				
House Prince Street		X							X									A		X					
English Mountain 1/2 int 2000 acres								X										A							X
Wetland - Lake 27 acres								X										A				X			

NOTE: ALL ADDRESSES IN SEVIERVILLE, TENNESSEE 37862

SF 278—Financial Disclosure Report
(Rev. 6-91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust?		
or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following?		
1. They represent solely your spouse's or dependent child's financial interest or responsibility;		
2. They are not, in any way, past or present, derived from your income, assets, or activities;		
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and		
4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 6 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 21 1984

Identification	Spouse (S) or Dependent Child (DC)	Income: Type of Income	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	Income: Category of Amount or Value	None or Less than $201	$201–$1,000	$1,001–$2,500	$2,501–$5,000	$5,001–$15,000	$15,001–$50,000	$50,001–$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if "Honoraria"	Interests in Property: Valuation of Assets	Valuation Method	$1,001–$15,000	$15,001–$50,000	$50,001–$100,000	$100,001–$250,000	$250,001–$500,000	Over $500,000
Chevron Oil Lease				X									X									A		X				
Mobil Oil Lease gives oil drilling rights on farm and mountain land.				X								X										A		X				
Bailey, Waters, Sykes & Sharp Law firm partnership. I ceased taking withdrawals in 1983.									partnership draw										9,500.00									
Sevier County Bank Stock			X									X										A	X					
First American Bank Stock			X									X										A	X					
Sevier County Bank CD				X										X								H			X			
Citizens National Bank CD				X										X								H			X			
Home Federal Savings & Loan (savings)				X									X									H	X					
John Sevier Savings & Loan (IRA)				X									X									H			X			

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SF 278—Financial Disclosure Report
(Rev. 6-91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interest or responsibility; 2. They are not, in any way, past or present, derived from your income, assets, or activities; 3. You neither derive, nor expect to derive, any financial or economic benefit from them; and 4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 7 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUL 21 1994

Spouse (S) or Dependent Child (DC)	Identification	Income: Type of Income (✓)							Income: Category of Amount or Value (✓)										Interests in Property: Valuation of Assets (✓)							
		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	Over $100,000	Actual Amount / Only if "Other" Specified	Date (Mo., Day, Yr.) / Only if Honoraria	Valuation Method	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	Over $500,000
	Third National Bank of Sevier County			X						X									H		X					
S	Temple MIlling Co.							salary											A						X	
S	Temple Properties (Trust) A trust created by John E. Temple father of Patsy Temple Waters. She and her 2 sisters and brother are trustees & beneficiaries. The trust owns rental real estate in Sevierville, Tennessee	X						trust									12,700.00		A						X	
S	Temple Properties (Trust)																									
	Benson Building 3 offices	X											X						A						X	
	ASC Office Building	X										X							A				X			
	Telephone Building	X											X						A				X			
	Temple Duplex	X									X								A			X				
S	Temple Enterprises A partnership, wife owns 1/4th. ~~Owns rental real estate and farms~~ in Sevier County, Tennessee	X						partnership									8,400.00		A							X

NOTE:' ALL ADDRESSES IN SEVIERVILLE, TN 37862

37-753 O-84—5

SF 278—Financial Disclosure Report
(Rev. 6/91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interest or responsibility; 2. They are not, in any way, past or present, derived from your income, assets, or activities; 3. You neither derive, nor expect to derive, any financial or economic benefit from them; and 4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 8 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): 11 21 94

Spouse (S) or Dependent Child (DC)	Identification	Income: Type of Income (✓) Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	Income: Category of Amount or Value (✓) None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if "Honoraria"	Interests in Property: Valuation of Assets (✓) Valuation Method	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	Over $500,000
S	Chevron Oil Lease On farm land. Wife owns 1/4th interest		X							X									A	X						
S	Stewart Drug Store (sale)			X											X				H				X			
S	Mrs. Winners (sale)			X										X					H			X				
S	Burger King (sale) Wife and her two sisters and brother sold lots to above three firms on Forks of the River Parkway, Sevierville, Tennessee			X											X				H				X			
	Greystone, Inc.							legal consulting									58,869.00		A							X
	E.F. Hutton Inv. Short Term IRA Retirement Money	X							X										H	X						
S	Merrell Lynch IRA Fund - invested in Merrill Lynch Mutual Fund entitled Science and Technology Holdings - (per Bill Mason, TVA 5/27/94 - SJE)	X							X										H	X						

NOTE. ALL ADDRESSES SEVIERVILLE, TENNESSEE 37862, UNLESS OTHERWISE INDICATED.

SF 278—Financial Disclosure Report
(Rev. 6/91)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported?		
If "Yes," do you certify to all of the following?		
1. They represent solely your spouse's or dependent child's financial interest or responsibility;		
2. They are not, in any way, past or present, derived from your income, assets, or activities;		
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and		
4. You do not have knowledge as to the composition of such interest or liabilities.		

Page Number 9 — Schedule A

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 21 '94

Spouse (S) or Dependent Child (DC)	Identification	Income: Type of Income (✓) Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	Income: Category of Amount or Value (✓) None (or less than $201)	$201-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	Interests in Property: Valuation of Assets (✓) Valuation Method	None (or less than $1,001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	$250,001-$500,000	$500,001-$1,000,000	Over $1,000,000
S	Citizens National Bank CD			X								X							A			X				
S	Sevier County Bank CD			X									X							A				X			
	Note Receivable: Kavin Pipes & John Parker, Sevierville, TN			X								X							H			X				
	Ridgecrest Estates - 3 lots (2 acres raw land, Sevier Cty., TN)								X										A		X					
	Elledge Farm (200 acres - raw land Sevier County, TN)								X										A				X			
	Beverly Hills - 2 lots, (½ acre raw land, Sevier County, TN)								X										A	X						

...th Financial Disclosure Report

PURCHASES, SALES, AND EXCHANGES

This schedule is applicable only in the case of annual and termination reports.

Page Number 10 | Schedule B

...'s Name
John B. Waters, Jr.

...ncy Use Only

...th, Day, Year)

Report Applicable Transactions, Even if Also Reported on Schedule A

S or DC	Identification of Property (real and personal)	Type of Transaction			Date (Month, Day, Year)		Category of Amount or Value (x)					
		Purchase	Sale	Exchange	Purchase	Sale or Exchange	$1,001 to $5,000	$5,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	Not Applicable — Nominee											

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John B. Waters, Jr.
Agency Use Only

JUN 21 [illegible]

Sch DC	Source (Name and Address)	Brief Description	Value
	Not Applicable — Nominee		

II – All Other Gifts – *List each source totaling $100 or more in value*

Sch DC	Source (Name and Address)	Brief Description	Value
	Not Applicable — Nominee		

Sch DC	Source (Name and Address)	Brief Description	Value
	Not Applicable — Nominee		

...ncial Report — This schedule, except as provided in ... applicable in the case of all reporting individuals.

...LITIES — John B. Waters, Jr. — 12

Name and Address of Creditor

See attached pages

...OSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
See attached pages				

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE This section is applicable only in the case of nominees and new entrants.

Source (Name and Address)	Brief Description of Duties
Hailey, Waters, Sykes & Sharp, Attorneys	Partnership - practice of law - partner. I represented the following clients which paid fees to the firm in excess of $5,000.00: Greystone, Inc, Howard Johnson Motor Lodge of Gatlinburg, Estate of E.E. Robertson, of Sevierville, Tennessee, Jessica Johnson, 3400 S. Delaney, Orlando, FL 32806, John Sevier Sevier Savings & Loan Association of Sevierville, Tennessee
Greystone, Inc., and Greyrock, Inc.	Legal and consultant

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Parties	Date (Mo., Day, Yr.)
NONE After withdrawal of John B. Waters from law firm upon confirmation to Tennessee Valley Authority Board of Directors, Waters will not be entitled to future money, benefits, salary or withdrawal whatsoever.	Hailey, Waters, Sykes & Sharp By R.B. Hailey, Senior partner and John B. Waters, Jr.	~~May 25, 1984~~

SF 278—Financial Disclosure Report
(Rev. 6/91)

LIABILITIES

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only — Date of Filing (Month, Day, Year)

Page Number 13

Schedule D

S or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value ( ) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	Sevier County Bank, Sevierville, TN 37862	Note, real estate mortgage, 4/82, 14%, 5 years		X			
	Sevier County Bank, Sevierville, TN 37862	Note, real estate mortgage, 11/80, 14%, 5 years	X				
	700 Vine Street Thomas V. Trimble, Evansville, IN 47737	Note, real estate mortgage, 10/83, 11%, 5 annual payments				X	
	Citizens National Bank, Sevierville, TN 37862	Note, real estate mortgage, 11/75, 14%, $800 per month until paid		X			
	Citizens National Bank, Sevierville, TN 37862	Note, real estate mortgage, 7/80, 14%, 5 years	X				
	Riverview Road, Box 443 Trula King Whaley Peshastin, WA 98847	Demand Note, real estate mortgage, 5/72, 8%			X		
	P.O.Box 1312 East Tennessee Production Credit Assoc.Maryville, TN 37801	Demand Note, real estate mortgage, 6/78, variable				X	
	I am 30% owner in joint venture North Gatlinburg Property	(60 acres plus or minus, unimproved)					
S	Sevier County Bank, Sevierville, TN 37862 To build Temple Milling Co., Building	Note, industrial development, 2/82, 14% ; 10 years				X	
S	Sevier County Bank, Sevierville, TN 37862	Demand Note, Temple Milling Co, 4/84, 14%		X			
S	Sevier County Bank, Sevierville, TN 37862 To build Temple Millstone Building	Demand Note, real estate mortgage, 2/84, 14%			X		
S	Sevier County Bank, Sevierville, TN 37862 To build Benson Building	Demand Note, real estate mortgage, 6/79, 14%		X			
S	Third National Bank, Sevier County, Sevierville, TN 37862	Demand Note on Temple Milling Co., 11/83, 14%		X			

OF 278—Financial Disclosure Report (Rev. 8/81)

LIABILITIES

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

Reporting Individual's Name: John B. Waters, Jr.

Agency Use Only — Date of Filing (Month, Day, Year):

Page Number: 14

Schedule D

S or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value ($1,001 to $15,000)	($15,001 to $50,000)	($50,001 to $100,000)	($100,001 to $250,000)	(Over $250,000)
S	Citizens National Bank, Sevierville, TN	8/12/83; 14.5%; 5 years Note, Temple Milling Co., (for feed truck)		X			
S	Citizens National Bank, Sevierville, TN	12/30/83; 14.5%; 44 years Note, Temple Milling Co., (for van truck)	X				
S	East Tennessee Production Credit Assoc. P.O.Box 1312 Maryville, TN 37801	1/7/83; 12% variable; 7 years Note, Temple Milling Co., (for grain, etc.)			X		
	Patsy Temple Waters, her brother and her two sisters own Temple Milling Co., Inc. of Sevierville, Tennessee and rental real estate in Sevierville. They also own and operate a 400 acre farm in Boyd's Creek and a 50 acre farm in Sevierville, Tennessee.						
	ALL ADDRESSES IN SEVIERVILLE, TENNESSEE 37862, UNLESS OTHERWISE INDICATED.						

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Hailey, Waters, Sykes & Sharp, law firm	Law partnership	Partner	6/63	Present
Greystone, Inc., Parkway, Gatlinburg, TN 37738	Corporate	Director - Secretary	8/63	Present
Greyrock, Inc., Parkway, Gatlinburg, TN 37738	Corporate	Director - Secretary	7/70	Present
Waters, Inc., P.O. Box 530, Sevierville, TN 37862	Corporate	Director - President	6/74	Present
Mountlanco, Inc., P.O. Box 530, Sevierville, TN 37862	Corporate	Director - President	6/72	Present
Waters Brother & Hailey, P.O. Box 530, Sevierville, TN 37862	Partnership	Partner	3/71	Present
Waters & Waters, P.O. Box 530, Sevierville, TN 37862	Partnership	Partner	3/71	Present
D&J Co., P.O. Box 530, Sevierville, TN 37862	Partnership	Partner	1/77	Present
NGB (also known as North Gatlinburg) P.O. Box 530, Sevierville	Joint Venture	Partner	1/76	Present
John Sevier Savings & Loan, 119 E. Main, Sevierville, TN	Corporate Savings & Loan	Director-Chairman of Bd	8/73	2/81
East Tennessee Baptist Hospital Blount Avenue Knoxville, TN	Non-profit hospital	Trustee	6/73	6/82
Tennessee Bar Association 3622 West End Avenue Nashville, TN 37205	Professional Association	President	6/83	6/84
American Bar Association 1155 E. 60th Chicago, IL 60637	Professional Association	Member	10/61	Present
American Judicature Society 1155 E. 60th Chicago, IL 60637	Professional Association	Member	6/63	Present
American Bar Foundation 1155 E. 60th Chicago, IL 60637	Professional Association	Member	7/82	Present
Tennessee Tombigbee P.O. Box 671 Columbus, Miss 39703	Waterway Authority	Member	7/78	Present
Sons of the Revolution P.O. Box Knoxville, TN 37901	Historical Society	Member	6/64	Present
American Legion, U.S. 441, Sevierville, TN 37862	Veterans Organization	Member	1956	Present
Sevier County Bar Association Court Avenue, Sevierville, TN	Professional Organization	Member	1961	Present

NOTE: ALL ADDRESSES SEVIERVILLE, TENNESSEE 37862, UNLESS OTHERWISE INDICATED.

Applicable to the case of all reporting individuals

John B. Waters, Jr. JBW

Date of Filing (Month, Day, Year): 21 84

Page Number: 16

Schedule No. D

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
B.P.O., Elks # 1925, Gatlinburg, TN 37738	Fraternal - Social	President, 1958	1956	Present
Club Le Conte, Plaza Tower, Knoxville, TN; 37901	Dinner Club	Member	1/82	Present
Town & Country Club, Sevierville, TN 37862	Country Club	Member	1/79	Present
Mountain Star Lodge FAM # 197	Masonic Organization	Member	1951	Present
Royal Arch Masons	Masonic Organization	Member	1952	Present
Knoxville Council No. 75 Cryptic Masons 505 Locust Knoxville, TN 37901	Masonic Organization	Member	1974	Present
No. 9, K.T. 505 Locust, St. Knoxville, TN	Masonic Organization	Member	1974	Present
Couer de Lion Commandery, 37901	Masonic Organization	Member	1975	Present
Kerbela Temple Shrine 315 Mimosa Knoxville, TN 37901				

note: ALL ADDRESSES SEVIERVILLE, TENNESSEE 37862, UNLESS OTHERWISE NOTED

JOHN B. WATERS

HOME ADDRESS: Waters Edge
Sevierville, Tennessee 37862
(615) 453-3913

OFFICE: HAILEY, WATERS, SYKES & SHARP
Attorneys
Professional Building
Sevierville, Tennessee 37862
(615) 453-2877

FAMILY: Born, Sevierville, Tennessee, July 15, 1929; Father John B. Waters, Sr., deceased; Mother, Myrtle Paine Waters, deceased; Sister, Mary Louise (Mrs. R. B.) Hailey, Brother, David Paine Waters, Sevierville, Tennessee; married the former Patsy Temple (1953); two children, John B. III, born 1955, and Cynthia Beth, born 1957. Mrs. Waters is a graduate of the University of Tennessee. John B. III, an attorney, is a graduate of the University of Tennessee at Knoxville and Georgetown Law School; Cynthia, a professional photographer, is a graduate of the Art Institute of Atlanta. All the family are members of the First Baptist Church of Sevierville, Tennessee.

EDUCATION: Graduated from the University of Tennessee with a B.S. Degree in Finance in 1952. Doctor of Jurisprudence, 1961.

After serving 3 years in the United States Navy, returned to University of Tennessee Law School, receiving J.D. Degree in 1961. While attending the University, was a member and Vice-President of Phi Sigma Kappa Fraternity; Vice-President of Student Body; member of Athletic Council; Scarbbean Senior Society; Chairman of Campus Political Party; member of Pi Alpha Delta Legal Fraternity, Listed in Who's Who in American Colleges and Universities in 1952.

MILITARY: Joined the United States Naval Reserve in 1948 at age 17, while a student at University of Tennessee. Commissioned as Ensign in 1952 and served on USS Conway (DDE 507) from 1952 to 1955 as Gunnery Officer in the Atlantic and Sixth Fleet. Now Lt. USNR Hon. Ret.

BUSINESS AND PROFESSIONAL: Engaged in the practice of law as a general partner in the law firm of Hailey, Waters, Sykes & Sharp, Professional Building, Sevierville, Tennessee. Member Sevier County, Tennessee and American Bar Associations.

Licensed to practice in Tennessee, District of Columbia

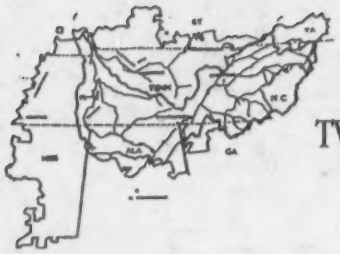
and U. S. Supreme Court; President of Sevier County Bar Association 1972-1974. Vice-President for East Tennessee, Tennessee Bar Association, President of Tennessee Bar Association 1983-84. Fellow, American College of Probate Counsel. Member, American Judicature Society. Fellow of the American Bar Foundation.

COMMUNITY AND CIVIC: Member, American Legion, Masons, Sons of the American Revolution, Gatlinburg Elks Lodge (Exalted Ruler 1960). Member of Sevierville Housing Authority, 1958-1068; Member and Chairman of Sevier County Industrial Development Board 1964-1968; Chairman, Sevierville Library Foundation: Vice-Chairman, Sevierville Chamber of Commerce, 1962-1966; Member Governor's Committee on Economic Development 1971; Member State of Tennessee Industrial and Agricultural Commission, 1971; Tennessee Representative to Southern Growth Policies Board 1971-1975; Trustee, East Tennessee Baptist Hospital, Knoxville, 1976-1982; Member, Tennessee-Tombigbee Waterway Authority, 1978-Present.

POLITICAL: Republican. Member of State Executive Committee, 1962 to 1968; Vice-Chairman, 1962-1966; In 1958 made unsuccessful campaign for Republican nomination for Congress against the late Carroll Reece. State Campaign Chairperson for Senator Howard Baker's 1964 and 1966 campaigns. Delegate to 1968 Republican National Convention. Member of State Nixon Committee, 1968.

GOVERNMENTAL: In 1969 President Nixon nominated Waters as Federal Co-Chairman of the Appalachian Regional Commission. He was confirmed by the United States Senate on March 26, 1969. Justice Potter Stewart of the U. S. Supreme Court administered the oath of office to Mr. Waters. The Appalachian Regional Commission consist of the Governors of the 13 Appalachian states and the Federal Co-Chairman.

The Commission engages in a broad spectrum of economic development programs including highways, health, vocational education, sewer and water projects, land reclamation, housing and the supplemental of other federal grant-in-aid programs. Waters served as Federal Co-Chairman until March, 1971, when he resigned and returned to Sevierville to resume his law practice and business. A joint Resolution honoring Waters was passed by the Eighty-Sixth General Assembly of the State of Tennessee.



TVA BOARD APPOINTMENT COALITION

P. O. Box 11248
Knoxville, TN 37939-1248
(615) 588-1892

ALABAMA CHAPTER, SIERRA CLUB
ALABAMA CONSERVANCY
ALABAMA SOLAR COALITION
AMERICAN ASSOCIATION OF RETIRED PERSONS
APPALACHIAN ROC, SIERRA CLUB
BIRMINGHAM AUDUBON SOCIETY
CARRYING CAPACITY, WASHINGTON, D. C.
CHATTANOOGANS FOR SAFE ENERGY
COAL EMPLOYMENT PROJECT
COALITION FOR APPALACHIAN MINISTRY
COMMISSION ON RELIGION IN APPALACHIA
CUMBERLAND-SAWTOTH AUDUBON CHAPTER, NATIONAL AUDUBON SOCIETY
CUMBERLAND (KENTUCKY) CHAPTER, SIERRA CLUB
ENVIRONMENTAL ACTION
HEARING HOUSE
ONMENTAL POLICY
TER, WASH., D. C.
GRAY PANTHERS OF TENNESSEE
GULF COAST ROC, SIERRA CLUB
KENTUCKY WETLANDS PRESERVATION COMMITTEE
KNOXVILLE AREA URBAN LEAGUE
LEAGUE OF WOMEN VOTERS OF ALABAMA
LEAGUE OF WOMEN VOTERS OF KENTUCKY
LEGAL ENVIRONMENTAL ASSISTANCE FOUNDATION
MID-SOUTH PEACE AND JUSTICE CENTER
MISSISSIPPI CHAPTER, SIERRA CLUB
MUSCLE SHOALS CHAPTER, LEAGUE OF WOMEN VOTERS OF ALABAMA
NATIONAL COUNCIL OF SENIOR CITIZENS, KNOXVILLE CHAPTER
NORTH CAROLINA CHAPTER, SIERRA CLUB
RURAL CUMBERLAND RESOURCES
SAVE OUR CUMBERLAND MOUNTAINS
SHOALS AREA CHAPTER, ALABAMA CONSERVANCY
SIERRA CLUB SOUTHEAST OFFICE
SOUTHERN APPALACHIAN LEADERSHIP TRAINING
TENNESSEE AUDUBON COUNCIL, NATIONAL AUDUBON SOCIETY
TENNESSEE CHAPTER, SIERRA CLUB
TENNESSEE CHAPTER, NATIONAL ORGANIZATION FOR WOMEN
TNESSEE CITIZENS FOR ELDERNESS PLANNING
TSSEE CLEAN AIR LITION
T... SSEE ENVIRONMENTAL COUNCIL
TENNESSEE RIVERS COALITION
TENNESSEE VALLEY ENERGY COALITION
UNITED METHODIST CHURCH, DEPT. OF SOC. & ECONOMIC JUSTICE, WASH., D. C.
WATAUGA AUDUBON SOCIETY, NATIONAL AUDUBON SOCIETY

MEMORANDUM

TO:

FROM: TVA BOARD APPOINTMENT COALITION

DATE: February 7, 1984

SUBJECT: Recommendation of Four Persons Endorsed by the TVA Board Appointment Coalition for the Upcoming Position on the TVA Board of Directors.

The TVA Board Appointment Coalition is pleased to recommend the following four persons, listed in alphabetical order, to fill the upcoming vacancy on the TVA Board of Directors:

*Sara Balcomb; Director, New Mexico Solar Industrial Development Corporation; Director, American Solar Energy, Santa Fe, New Mexico.

*John Gibbons; Director, Office of Technology Assessment, U.S. Congress, Washington, D.C.

*Bailey Guard; Staff Director, U.S. Senate Committee on Environment and Public Works, Washington, D.C.

*Donald Huisingh, Professor, North Carolina State University, Raleigh, North Carolina.

Statements for and resumes of these four capable individuals are enclosed in the briefing report.

Founded in May, 1983, the TVA Board Appointment Coalition has grown to encompass a broad base of 42 organizations representing over one quarter million citizens from throughout the Tennessee Valley and the TVA power service area. The Coalition is governed

by a board of liason representatives from each of the participating groups. Organizations participating in the Coalition currently include consumer and utility ratepayer groups, environmental quality advocates, senior citizen organizations, women and minority rights proponents, good government advocates, solar and renewable industry groups, religious organizations, and grassroots economic development associations. The purpose of the Coalition is to encourage the appointment of a TVA Director sensitive to the values represented by the member organizations of the Coalition and expressed in the enclosed Statement of Purpose.

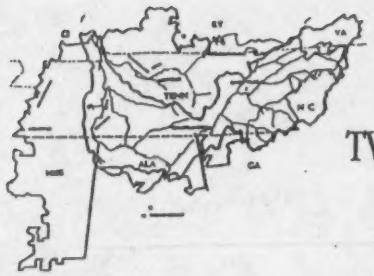
Every action of the TVABoard Appointment Coalition has been aimed at providing assistance to you and other decision-makers in this important decision affecting the Tennessee Valley and its citizens. We did not enter into this activity with any preconceived candidate. We have attempted to assist you and others in this process by identifying potential candidates; by contacting, interviewing and evaluating them; and finally, by recommending quality candidates for your consideration.

The Coalition has contacted 19 persons who have been rumored to be candidates or who have been identified as people who may be qualified for the position. Nine of the 19 were uniformly interviewed by representatives of the Coalition who traveled the length and breadth of America in order to obtain their insights. Lists of those persons contacted and interviewed as well as a list of questions asked each candidate are enclosed for your review. The liason representatives of the Coalition gathered in Nashville, Tennessee on January 20, 1984 to seek a consensus regarding which, if any, of the nine interviewed candidates the Coalition might recommend to the decision-makers. By an overwhelming margin the representatives reached a consensus regarding the four above mentioned individuals. Little support was manifest for the remaining five people.

Why would this appointment be viewed so vital and significant as to generate such interest by our organizations? We believe it is extremely important that someone sensitive to environmental quality and broader social concerns be named to the position so that the balance on the TVA Board that currently exists might be retained. That balance is fundamental if TVA is to remain more than just a utility. That balance is essential if TVA is to continue the tenuous and fragile progress it has made over the past half decade in environmental quality and outreach programs to our constituencies. That balance is fundamental if TVA is to practice in reality what the license plate declares, "TVA SERVES US ALL."

We are prepared to work with you in support of any of these four individuals.

Enclosures



TVA BOARD APPOINTMENT COALITION

P. O. Box 11248
Knoxville, TN 37939-1248
(615) 588-1892

ALABAMA CHAPTER,
SIERRA CLUB
ALABAMA CONSERVANCY
ALABAMA SOLAR COALITION
AMERICAN ASSOCIATION OF
RETIRED PERSONS
APPALACHIAN ROC,
SIERRA CLUB
BIRMINGHAM AUDUBON
SOCIETY
CARRYING CAPACITY,
WASHINGTON, D. C.
CHATTANOOGANS FOR
SAFE ENERGY
COAL EMPLOYMENT PROJECT
COALITION FOR APPALACHIAN
MINISTRY
COMMISSION ON RELIGION
IN APPALACHIA
CUMBERLAND-HARPETH AUDUBON
CHAPTER, NATIONAL
AUDUBON SOCIETY
CUMBERLAND (KENTUCKY)
CHAPTER, SIERRA CLUB
ENVIRONMENTAL ACTION
CLEARING HOUSE
ENVIRONMENTAL POLICY
CENTER, WASH., D. C.
GRAY PANTHERS OF TENNESSEE
GULF COAST ROC,
SIERRA CLUB
KENTUCKY WETLANDS
PRESERVATION COMMITTEE
KNOXVILLE AREA
URBAN LEAGUE
LEAGUE OF WOMEN VOTERS
OF ALABAMA
LEAGUE OF WOMEN VOTERS
OF KENTUCKY
LEGAL ENVIRONMENTAL
ASSISTANCE FOUNDATION
MID-SOUTH PEACE AND
JUSTICE CENTER
MISSISSIPPI CHAPTER,
SIERRA CLUB
MUSCLE SHOALS CHAPTER,
LEAGUE OF WOMEN VOTERS
OF ALABAMA
NATIONAL COUNCIL OF
SENIOR CITIZENS,
KNOXVILLE CHAPTER
NORTH CAROLINA CHAPTER,
SIERRA CLUB
RURAL CUMBERLAND RESOURCES
SAVE OUR CUMBERLAND MOUNTAINS
SHOALS AREA CHAPTER,
ALABAMA CONSERVANCY
SIERRA CLUB
SOUTHEAST OFFICE
SOUTHERN APPALACHIAN
LEADERSHIP TRAINING
TENNESSEE AUDUBON COUNCIL,
NATIONAL AUDUBON SOCIETY
TENNESSEE CHAPTER,
SIERRA CLUB
TENNESSEE CHAPTER,
NATIONAL ORGANIZATION
FOR WOMEN
ESSEX CITIZENS FOR
ENERGY PLANNING
TENNESSEE CLEAN AIR
COALITION
TENNESSEE ENVIRONMENTAL
COUNCIL
TENNESSEE HUNGER COALITION
TENNESSEE VALLEY ENERGY
COALITION
UNITED METHODIST CHURCH,
DEPT. OF SOC. & ECONOMIC
JUSTICE, WASH., D. C.
WATAUGA AUDUBON SOCIETY,
NATIONAL AUDUBON SOCIETY

TVA BOARD APPOINTMENT COALITION DELEGATION
Washington, D.C.
February 7-8, 1984

REV. STEWART BRIDGMAN, Executive Director
Coalition for Appalachian Ministry
P.O. Box 10208
Knoxville, TN 37939-0208

BILL CHANDLER, Author
The Myth of TVA
123 10th St., NE
Washington, D.C. 20002

PAUL DE LEON, Research Analyst
Tennessee Valley Energy Coalition
705 N. Broadway, Room 200
Knoxville, TN 37917

LOUISE DUNLAP, President
Environmental Policy Institute
218 D St., SE
Washington, D.C. 20003

JENNY M. FREEMAN, Executive Director
Tennessee Citizens for Wilderness Planning
864 Weisgarber Rd.
Knoxville, TN 37919

ED GRANDIS, Director
Citizens Mining Project
Environmental Policy Institute
218 D St., SE
Washington, D.C. 20003

BOB MAXWELL
National Board of Directors
American Association of Retired Persons
Rt. 14, 54 Oakley Dr.
Crossville, TN 38555

JIM PRICE, Southeast Representative
Sierra Club
P.O. Box 11248
Knoxville, TN 37919-1248

JIM TOWNES
Tennessee Urban League Council
2416 Magnolia
Knoxville, TN 37914

BILL TROY
Commission on Religion in Appalachia
P.O. Box 10867
Knoxville, TN 37319-0867

CORRINE WHITEHEAD, Land Use Chair
League of Women Voters of Kentucky
Rt. 9
Benton, KY 42025

Nashville, TN	5/21/83
Knoxville, TN	5/27/83
Nashville, TN	11/19/83
Nashville, TN	1/20/84

PURPOSE STATEMENT

The purpose of this ad hoc coalition is to develop and implement strategies to ensure that the person selected for the next TVA Board vacancy will have a vision of long-term stewardship of the Tennessee Valley and be sensitive and responsive to:

1. The need for affordable residential electric rates.

2. The need to improve and protect environmental quality as it relates to air, land, water, wildlife, energy policies, and the health of our citizens.

3. The need for safe, labor-intensive economic development and job training -- both rural and urban, with the involvement of all the people affected.

4. The need to reduce waste and increase efficiency in TVA management.

5. The need for affirmative action in personnel and program policies of TVA and its distributors, contractors and suppliers.

6. The need for accountability by TVA to the Valley citizens and for effective citizen participation in TVA planning and decision-making.

7. The need for effective energy conservation programs and increased use of solar and renewable energy sources in energy production.

8. The needs of the small family farm and the promotion of food self-reliance in the Tennessee Valley.

PROCEDURES FOR CANDIDATE INTERVIEWS

Since a number of Interview Committee members are conducting interviews over a widespread geographic area, it is very important that all interviews be conducted thoroughly, carefully, and as uniformly as possible. The following procedures, and the forms included for your use, have been prepared with this in mind. Please direct any questions you may have about the procedure or the forms to the Interview Committee Coordinators (Bill Troy, Paul deLeon, or David Gall, c/o Tennessee Valley Energy Coalition, 705 N. Broadway, Knoxville, TN, 37917; telephone 615/637-8018) before you do your interview.

Before the Interview

1. The committee coordinators will have called you and one other person in your area about doing the interview. All interviews will be conducted by two persons, from different constituencies, if at all possible.

2. Once your interview team is in place, the coordinators will send a copy of the enclosed letter to the candidate, requesting the interview and indicating that you and your team member will be calling to arrange a time for the interview.

3. You and your team member should then get in touch with each other and arrange for one of you to call the candidate to secure a time for the interview. If the candidate is reluctant to do the interview, explain to him or her:

   A. Our coalition represents a broad regional cross-section of 43 organizations and 350,000 people with a deep interest in TVA and the future of the Tennessee Valley.

   B. We will be talking with Senator Baker, the White House, and other key decision-makers in the Congress, and we think it would be in the candidate's interest, as well as our own, for their views on these important issues to be known.

   C. We will be making recommendations based on the interviews of candidates who share our concerns, and we hope the candidate in question will be one of those people.

4. Meet with your team member prior to the interview to discuss how you will conduct the interview.

Conducting the Interview

1. Be sure to pick up the candidate's resume, which will be requested in the original letter.

2. Try to conduct the interview in one hour if possible. If it takes longer to cover all the questions, take the extra time.

3. One of your team should take thorough notes on the candidate's answers. You may want to share this task, one person asking questions first and taking notes for the last half of the interview.

4. Important. Arrange to take a tape recorder and record the interview. Explain to the candidate this will help you take complete, accurate notes and assure him/her that the recording is not intended for use in any public way. Hang onto the tape in the event there arises any dispute about exactly what the candidate said, at the Senate Committee hearings or at any other time. This could protect both you and the coalition in the future, and you might point out to the candidate, if he/she questions the procedure, that complete accuracy is in the candidate's interest, too. If the candidate absolutely refuses to have the interview taped, please note this in your report.

5. Try to get concise, specific replies to all questions. Go for a yes-or-no answer whenever that is appropriate.

After the Interview

1. As soon as you can, please mail the following items to the committee coordinators:

   A. A typed record of your notes on the interview.

   B. A completed "Interview Evaluation Record" (form enclosed).

   C. A copy of the candidate's resume and any other information you may have developed about his/her background, record, etc.

2. Keep a photocopy of all the above information for your own files.

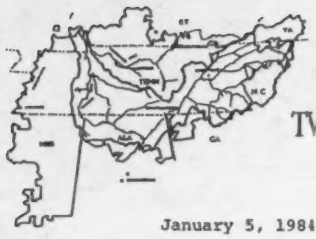
3. Telephone the committee cordinators if anything out of the ordinary happens in the course of this process, or if you uncover additional information you think we should have.

Reimbursement

As you know, the coalition is not rich. As much of the costs of travel, postage, duplication, etc. that you yourself can

assume would be appreciated. If you do need assistance with these costs, please let us know.

Time is of the essence! In all likelihood, we will need to complete all of our interviews by late December. If your interview can be done before Christmas, that would really help. Many thanks for your time and effort!



TVA BOARD APPOINTMENT COALITION

P. O. Box 11248
Knoxville, TN 37939-1248
(615) 588-1892

January 5, 1984

ALABAMA CHAPTER,
SIERRA CLUB
ALABAMA CONSERVANCY
ALABAMA SOLAR COALITION
AMERICAN ASSOC. OF
RETIRED PERSONS
BIRMINGHAM AUDUBON
SOCIETY, N.A.S.
CARRYING CAPACITY,
WASHINGTON, D. C.
CHATTANOOGANS FOR
SAFE ENERGY
COAL EMPLOYMENT PROJECT
COALITION FOR APPALACHIAN
MINISTRY
COMMISSION ON RELIGION
IN APPALACHIA
COMMON CAUSE OF TENNESSEE
CUMBERLAND-HARPETH AUDUBON
CHAPTER, N.A.S.
CUMBERLAND (KENTUCKY)
CHAPTER, SIERRA CLUB
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ASSISTANCE FOUNDATION
MISSISSIPPI CHAPTER,
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OF ALABAMA
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CITIZENS, KNOX. CHAPTER
NORTH CAROLINA CHAPTER,
SIERRA CLUB
SAVE OUR CUMBERLAND MTNS.
SHOALS AREA CHAPTER,
ALABAMA CONSERVANCY
SIERRA CLUB S.E. OFFICE
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TEC, SEE ENVIRONMENTAL
COUNCIL
TENNESSEE HUNGER COALITION
TENNESSEE VALLEY ENERGY
COALITION
UNITED METHODIST CHURCH,
DEPT. OF SOC. & ECONOMIC
JUSTICE, WASH., D. C.
WATAUGA AUDUBON SOCIETY,
NATIONAL AUDUBON SOCIETY

The TVA Board Appointment Coalition is a broad-based alliance of Tennessee Valley and national organizations who share a deep concern for the importance of President Reagan's upcoming appointment of a new TVA director. At this time, the coalition includes 38 organizations representing some 200,000 people from good government, residential ratepayer, environmental, senior citizen, minority, women's rights, and religious organizations. We have all learned in the past few years how important TVA policy-making can be to the welfare of the Valley and, indeed, to the whole country. For that reason, we are eager that this critical position be filled by one who shares our concern for the issues included in the coalition's statement of purpose, a copy of which is enclosed.

You have been widely mentioned as one who might be available for this appointment, and for that reason we want to request an hour of your time to meet with members of the coalition to discuss your views on the matters of concern to us. We are making a similar request of all those whose names have come forward as potential appointees, and we hope to make use of our conversation with you in determining our own recommendations to the White House and key congressional decision-makers in the near future.

Enclosed for your preliminary study is a list of the questions which our members would want to discuss with you. Two members of the coalition, whose names are listed below, will telephone you soon to ascertain your interest in meeting with us and to arrange an appointment with you at the earliest convenient time.

You will share with us, I'm certain, the conviction that this appointment is of the greatest import for the future

of the Tennessee Valley and that the widest possible dialogue on the issues confronting TVA is in the best interests of us all -- the agency, those whom it serves, and the person who will eventually assume the responsibilities of leadership on the TVA Board of Directors.

In the hope that we can meet with you soon, you may look forward to hearing from our members in the next few days.

Sincerely yours,

TVA BOARD APPOINTMENT COALITION

Bill Troy

Bill Troy
Steering Committee

mw

Enclosures

QUESTIONNAIRE

Q. In the past, there has been debate about TVA's abolishing the "residential preference" (which allocates the benefits of low-cost hydroelectirc power to residential customers) in order to ease the pressure on industrial rates. What would be your position on this matter?

Q. TVA's own economic projections have indicated that the Tennessee Valley can be expected to lag far behind the rest of the nation in recovering from the long-term structural problems facing the economy. What programmatic initiatives do you think are appropriate to TVA's mandate in meeting this situation, and how would you propose to fund those initiatives?

Q. How do you view TVA's role in dealing with water quality problems in the Tennessee Valley?

Q. Is it your impression that TVA is doing as much as needs to be done to promote affirmative action of minorities and women as a personnel and program policy?

Q. TVA has recently developed a number of energy conservation programs and advocated the increased use of solar and renewable energy sources in energy production. How do you view the use of conservation and solar technologies in the overall power production scheme at TVA?

Q. Citizens can participate in TVA affairs in a number of ways: use of the Citizen Action Line; presentations at TVA board meetings, etc. How would you propose to enhance citizen participation in TVA affairs?

Q. TVA has cut the sulfur dioxide emissions from its coal-fired generating plants by 50% to about 1 million tons per year. What would be your reaction should federal legislation be enacted requiring additional cuts in TVA's SO^2 emissions?

Q. TVA has sometimes been criticized for unselective industrial recruitment activities wherein TVA staff work mainly with local elected officials and a small number of local economic interests to the exclusion of broader community participation. Do you think this is true; and, if so, how would you propose changing the situation?

Q. Do you believe that the combination of TVA's internal mechanisms along with periodic review by established outside entities (Senate oversight, GAO review, etc.) are adequate to the task of reducing waste and increasing efficiency at TVA? If not, what further steps would you take?

Q. Do you believe TVA should exercise its contractual ability to require affirmative action standards on the part of TVA distributors, contractors, and suppliers?

Q. How do you view TVA's role in the national debate concerning the use of renewable energy and energy conservation?

Q. How would you approach TVA's options for providing new sources of electricity generation in the future?

Q. How would you propose to deal with the problem of incorporating citizen participation in TVA decision-making before decisions are made, and the problem that there is no provision for direct citizen oversight of TVA decisions?

Q. What do you see as the primary obstacles inhibiting increased efficiency in TVA operations, and what changes would you make to overcome those obstacles?

INTERVIEW REPORT: John B. Waters, Jr.

Interviewed by Joanne Thompson (TVEC), Bob Maxwell (AARP), Carlotta Roberts (Urban League), Jim Price (Sierra Club), Jenny Freeman (TCWP) and Bill Troy (CORA)

4/19/84

John B. Waters, Jr. has been recommended for the TVA board position to President Reagan by Sen. Howard Baker. Mr. Waters is 54 years old, a native and resident of Sevierville, Tennessee, comes from a prominent old Sevier County family, as does his wife, the former Patsy Temple. He works for the law firm of Hailey, Waters, Sykes and Sharp in Sevierville and is said to own a considerable amount of real estate in that area. Currently he is president of the Tennessee Bar Association.

Mr. Waters is an old friend of Sen. Baker's, having served Baker first as campaign manager in a student body election at the University of Tennessee. Later he was state campaign chairperson for Baker's 1964 and 1966 campaigns. Waters himself ran unsuccessfully for Congress in 1958. He has also been a member of the state Republican Executive Committee (1962-68).

Mr. Waters most prominent governmental experience was a two-year stint as Federal Co-Chairman of the Appalachia Regional Commission (1969-71). It is this experience that seems to qualify Mr. Waters most particularly in the area of lobbying and Washington contacts, as part of his responsibility was to sustain ARC funding through contacts with the ARC congressional delegation.

Inquiries have failed to produce much information about Mr. Waters' policy initiatives at ARC; he was not an activist Federal Co-Chairman, and since he continued to live in Sevierville during his tenure at ARC, some observers believe he devoted less than his full energies to the position. Mr. Waters himself believes the ARC often made better decisions in Sevierville than ih Washington and he thinks he made two major contributions at ARC. First, to help save the entire program from those in the Nixon Administration who wanted to abolish it, and, second, to push the ARC staff into more visibility and contact with people in the region. In his view, ARC at that time did a good job in housing and vocational training for existing jobs, a fair job at building roads, and not very well in providing health facilities.

Mr. Waters has also served on the board of the Tennessee-Tombigbee Waterway Authority since 1978. He is a strong advocate of river transportation and thinks the Tenn-Tom will be an enormous economic boon, especially to Tennessee. While he admits that economic projections associated with the project are probably untrue and that the project would never be started today in light of huge cost overruns, he noted those decisions were made before he went on the board and he still expects the project to be of great economic benefit. Further, he believes TVA should do more to promote barge transportation.

Mr. Waters declined to comment on the Columbia Dam until he could look into the matter further.

Mr. Water's Views on the Issues

The interviewers questioned Mr. Waters on most of the issues in our Purpose Statement, with the following results:

(1) Residential Electric Rates -- Mr. Waters took a both-and position on the question of industrial vs. residential rates. He was not familiar with TVA's hydroelectric preference allocation, thought that industry is in need of rate relief but not at the expense of residential customers, and said he would have to study the hydroelectric preference to determine if it was fair. He was disturbed at reports that TVA had not cooperated enough with industries that were about to close and would want to look into that, also.

(2) Economic Development -- Mr. Waters was emphatic that TVA should devote great effort toward supporting economic development in the region, although he knew little about existing TVA activities and said he did not know what kinds of programs should be initiated. He emphasized the importance of high technology and said TVA experts should be well qualified to promote it. He also said that, since the days when he helped Sevier County build an industrial park, planners would have to take many more questions into consideration before deciding what kinds of industry to recruit, specifically environmental impact, worker health and wage considerations. He placed strong emphasis on the need for public participation in economic development decisions, because otherwise those decisions wouldn't be accepted.

(3) Environmental Quality -- Mr. Waters summarized his general approach to TVA's role in protecting the environment in this way: " Air, water, land, we absolutely have to do everything we can to protect our environment. I am for that. I am also for people. We have to look at this situation on balance with the lives of the people that are going to live there and enjoy that environment and earn a living in that environment .... I don't know how much of the impurities in the air we can take out at a price we can afford, but I think we need to do the very best we can." He thought TVA should take a "national labaratory" approach to developing information on how environmental degradation affects public health, observing that a purely profit-oriented utility could not be expected to do the same. He also insisted on a cost-effective approach to TVA actions in the hazardous waste field that would take health costs into account, but said he could not recommend an exact method for measuring such cost effectiveness.

(4) Affirmative Action -- Mr. Waters said he had the impression, from media reports only, that TVA is doing a pretty good job in this area. He is not sure that you can't accomplish more through cooperation than through legal requirement, citing his own involvement in the resolution of complaints from both women and minorities in hiring at the Tenn-Tom. It is his opinion that minority organizations in the area were satisfied with the resolution of those problems. Before he would conclude that TVA should require compliance with affirmative action standards by TVA contractors, however, he would want to investigate thoroughly such questions as cost. He said he would favor requiring such compliance by TVA distributors until the latter could make a good case for the problems it would cause them.

(5) Energy Use and Resources -- Mr. Waters said he thought "TVA should provide the leadership in finding out all the alternatives in energy development." He would favor looking at all forms of energy development, including nuclear, solar and coal gasification from the standpoint of cost, environmental quality, health and safety. He had not thought about whether some energy sources deserved a priority over others. He also made the point strongly that TVA has lots of brilliant, well paid engineers to figure out problems like this, and he would welcome the chance to use that expertise as a TVA director.

(6) Public Participation -- Mr. Waters repeatedly said TVA had lost touch with the citizens of the Valley, he thought initiatives like the Citizen Action Line were mainly cosmetic, he said any plan to strengthen public participation would be useful, but he didn't have any ideas himself about how to accomplish this goal. He was reluctant to endorse any kind of formal citizen oversight of TVA board decisions, insisting that any such system would have to allow the system to keep functioning and provide a clear time for final decisions.

TESTIMONY
BEFORE THE
SENATE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS

On the

Appointment of John Waters

as

a Director of the Board

of the

Tennessee Valley Authority

Submitted by

Deborah Lynn Bleviss

Bernard Lee Schwartz Fellow,

Energy and Environment,

Federation of American Scientists

July 31, 1984

Mr. Chairman and Members of the Committee, my name is Deborah Bleviss and I am the Bernard Lee Schwartz Fellow in Energy and Environment at the Federation of American Scientists. I am pleased to testify today at the confirmation hearing of John Waters as a Director of the Tennessee Valley Authority (TVA). My purpose today is to discuss the progress TVA has made in pursuing energy conservation and alternative energy strategies, to highlight how this progress has served as a model for the rest of the nation, and to urge the Directors of TVA to continue this sound approach to the provision of energy at reasonable cost under the new Director.

Since the beginning of the 1970s, TVA has been besieged by a string of price increases, not unlike what is now being encountered by private utilities throughout the country. While in 1970, TVA's residential power rates averaged half the rates charged elsewhere in the nation, ten years later these rates had doubled in real terms, reaching almost 80 percent of the national average. The reasons for these rate increases are also not unfamiliar to private utilities: higher coal costs, increased costs of nuclear construction, higher wages and salaries, and greater material and equipment costs.

TVA's response to this situation, however, was far from traditional; indeed it was both far-reaching and far-sighted. Recognizing that it was bound by its charter to offer electricity "at the lowest possible rates" to its customers, in 1977 the

Authority began an aggressive program of conservation and renewables development. This new strategy was judged to be more cost-effective for its customers than its historic program of building nuclear and coal electricity-generating plants.

The Home Insulation Program (HIP) was started in 1977, providing free energy audits to any TVA customer and zero interest financing for installation of weatherization materials. That program was later broadened to include heat pump water heaters, solar water heaters, and, where environmentally acceptable, wood heaters.

The HIP program laid the groundwork for launching TVA's Commercial and Industrial Energy Management Program in which a free energy survey is provided to small and medium commercial and industrial users on the conservation potential for their facilities, and low interest financing is offered where needed. Following these has come several solar and renewable energy demonstration programs, and programs to encourage the building of energy efficient and solar new homes.

The effect these programs have had on the rest of the country has been substantial. The HIP program undoubtedly served as a model for the federal Residential Conservation Service that was first enacted in 1978. Many utility conservation financing programs have taken their lead from the TVA examples. And, quite probably, the TVA example figured into the Northwest Power

Act of 1980, in which energy conservation was accorded top priority in meeting the electricity needs of this nation's Northwest.

The message here is simple: TVA has proved to be a leader in pursuing energy conservation and renewable energy as the least-cost strategy to provide necessary energy services to its customers. I believe I speak for many when I say that I hope this leadership continues under Mr. Waters. Permit me, if you will, to highlight three areas where I hope TVA's efforts will not lag:

RESIDENTIAL ENERGY CONSERVATION

For those of us who have worked in the energy conservation area for a long time, several lessons have been learned in the past few years. First, homeowners and renters are not rational economic machines that respond logically or quickly to higher energy prices. Second, there is such a glut of "snake-oil salesmen" and misinformation in the energy conservation business, that even if a consumer wants to invest in conservation, he or she will inevitably be confused as to what to buy. And third, many individuals simply cannot afford to invest in conservation at today's interest rates. The TVA HIP program addresses all of these issues. It offers a "one-stop shop" in which it hand-holds many of its customers through the entire conservation process. To meet information needs, a free energy audit is provided. To meet funding needs, a zero-percent interest loan is offered

for as long as seven years; with such terms the loan can be financed with energy savings. To protect customers against unscrupulous contracting practices, TVA offers a list of accredited contractors as well as free follow-up inspections of all work done. These innovations have enabled the market to work much more effectively.

LOW INCOME ISSUES

One of the coming issues for all utilities, private and public, is the increased inability of the poor to pay their energy bills. More than 25 percent of the income of a poor household now goes, on average, to pay for energy bills; ten years ago, only 11 percent was used for energy needs. Furthermore, this high fraction represents three to four times the fraction of income paid by the average American household.

Many utilities in the country have responded to this growing "uncollectibles" problem by establishing fuel funds to assist the poor in paying their bills. But this approach merely postpones the problem; the poor must continue to come back year after year for further assistance in paying their bills. A wiser strategy is the one-time only investment in conservation, which will reduce energy bills far into the future.

The Tennessee Valley Authority has understood the importance of this approach. Over the last few years, it has worked hard

at reaching poor households, often through specialized outreach efforts. Public housing has been targetted, as has rental housing--which is disproportionately occupied by the poor--and the elderly. These efforts need to continue to maintain the economic health of the Tennessee Valley.

SMALL COMMERCIAL AND INDUSTRIAL BUSINESSES

While large commercial and industrial businesses have been able to respond relatively quickly to the conservation message of high energy prices, smaller businesses have not. The latter often lack the in-house technical expertise that their larger counterparts have. Moreover, many smaller businesses have financial constraints that restrict their funding conservation improvements, no matter how cost-effective. The TVA Commercial and Industrial Energy Management Program has recognized these problems and responded accordingly with the offer of free energy surveys and low interest financing. Other utilities in the country are only beginning to recognize the value such a program can provide to their load growth.

CONCLUSION

In sum, then, TVA has distinguished itself to its customers and the country as a whole by pursuing an aggressive program of energy conservation and renewable energy development as the means to provide electricity at reasonable cost to its customers.

The additional benefits of this approach--reduced diversion of capital into unneeded power plants, increased air quality, and increased credibility with consumers--have also been clear. Under the outgoing Chairman, David Freeman, TVA set a goal of saving 7 billion kilowatt-hours annually by 1990. I would urge the Director-designate and the other members of the Board of Directors to pursue that goal aggressively and to set their sights even higher for the next ten years. Thank you.

Statement of

WILLIAM U. CHANDLER

For the Environmental Policy Institute

Before the Committee on

ENVIRONMENT AND PUBLIC WORKS

Confirmation Hearing on the Nomination of

JOHN B. WATERS

To Be Director of

THE TENNESSEE VALLEY AUTHORITY

31 July 1984

Contact:
Edward Grandis
Environmental Policy Institute
218 D Street, S.E.
Washington, D.C. 20003

William U. Chandler
Worldwatch Institute
1776 Massachusetts Avenue, NW.
Washington, D.C. 20036

John B. Waters and the Future of TVA

John B. Waters' nomination to direct the Tennessee Valley Authority comes at a time when, more than ever before in its history, TVA lacks both public support and a clear sense of mission. Hundreds of thousands of Valley citizens have openly expressed their frustration with the way TVA is run and have organized to change it. National organizations express concern that clean air, energy conservation, and coal mining policies may be weakened by TVA's massive influence. Millions of ratepayers wonder how much their power costs will escalate. As a result, the issue today is more complicated than just whether Mr. Waters is qualified. The issue is both how he was chosen and how he will perform.

Eighteen months ago, a senate aide told citizens' representatives that people in the Valley were apathetic about TVA and did not care who was appointed. Three hundred thousand citizens subsequently organized and spent their own time and money to ensure that a new director with sensitivity to the environment and to consumers was appointed. The process has not been adequate, however, for the government has excluded them from participating in this crucial decision. As a result, they are unsure whether Mr. Waters possesses a committment to their concerns, and they are less sure that ordinary citizens will have a voice in TVA's policies.

Citizens now have no satisfactory means of influencing the course of TVA. They cannot vote for or against TVA directors. They cannot vote for or against any member of this committee, the body most responsible for approving TVA directors. Citizens can only occasionally deliver five-minute complaints to this committee about nine-year appointments that are made with too little regard for them.

None of this is to say that Mr. Waters is unsuited for the job. He almost certainly meets the three requirements to be director set out in the TVA Act. If he owns no electric utility stock, owns no fertilizer company stock, and believes in the "ultimate wisdom and feasibility of the TVA Act," then, according to the Act, he is qualified. The people of the Tennessee Valley, along with those concerned with TVA's influence on national policies, are prepared, I believe, to give him a chance to demonstrate his ability.

But citizens' organizations will pay close attention to Mr. Waters' performance. He will be judged, in my opinion, on environmental issues and power rates more than on any other matters. Mr. Waters certainly will be judged on his attitude toward acid rain and energy conservation, and on a variety of other pressing environmental issues as well. For example, Columbia Dam, if built, will be a fiasco worse than Tellico Dam. The TVA leadership claims that it has changed, but whether it really has changed will be judged on whether it cancels this unnecessary dam on the Duck River, a project that the agency itself admits is a mistake.

Nothing will affect power rates more than whether Mr. Waters and his colleagues vote to cancel four expensive and unnecessary reactors at Hartsville and Yellow Creek. The U.S. General Accounting Office told TVA five years ago that these were unneeded, but the utility, being unresponsive, delayed the decision at great cost.

TVA's mission has, in fact, become essentially that of an electric utility. It is the largest power producer in the nation. It commits over 95 percent of its budget to providing power. To serve a national purpose, TVA could adopt the mission of becoming the nation's most efficient and least environmentally destructive utility. But it will have great difficulty striking such a balance. For unlike almost all other U.S. utilities, it makes profound economic and environmental decisions without the oversight of locally elected or appointed utility commissioners. Instead, Tennessee Valley residents must rely on the wisdom of the President and of this honorable committee to choose the course of their utility. Mr. Waters' performance as a utility manager during his nine-year term will largely determine whether Valley citizens will continue to accept this arrangement.

Citizens both from the Tennessee Valley and across the nation have thus expressed a strong sentiment: They care how TVA is run and who runs it. They want TVA to be responsive to them. Mr. Waters, more than anything else, will be judged by how he bridges the vast gap in TVA's accountability to the people it serves.

JOHN J. DUNCAN
3D DISTRICT, TENNESSEE

2459 RAYBURN HOUSE OFFICE BUILDING
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COUNTIES:
BLOUNT
KNOX
LOUDON
MONROE
ROANE
POLK

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE:
WAYS AND MEANS

SUBCOMMITTEES:
SELECT REVENUE MEASURES
HEALTH
OVERSIGHT

JOINT COMMITTEE ON TAXATION

July 27, 1984

Senator Robert T. Stafford
Chairman
Environment and Public Works Committee
410 Senator Dirkson Office Building
Washington, D. C. 20510

Dear Bob:

Reference is made to a letter to you from James W. Eickman, Secretary of the Tennessee Valley Authority Salary Policy Employees, Knoxville. As you know, Knoxville is the central city of my congressional district.

I support the confirmation of Mr. John Waters, however, I think the requests of the TVA employees are most valued and important at this time. I am aware of the problem Mr. Eickman outlines in this letter, and I would appreciate you giving them consideration at the committee hearings.

Sincerely,

JOHN J. DUNCAN
Member of Congress

JJD/mb

cc: Mr. James W. Eickman

PANEL

"Representing" TVA SALARY POLICY EMPLOYEES

James W. Eickmon, Secretary ■ 908 BURWELL BUILDING, KNOXVILLE, TN 37902 ■ (615) 637-7901

July 25, 1984

Senator Robert T. Stafford, Chairman
Environment and Public Works Committee
410 Senator Dirkson Office Building
Washington, DC 20510

ATTN: Kathy Cudlitt, General Counsel

Dear Senator Stafford:

This letter is to request consideration of the following questions for the hearing before the Environment and Public Works Committee on the nomination of John Waters, Jr. to the Tennessee Valley Authority Board of Directors. We offer these questions in the spirit of addressing issues critical to the labor-management relations environment in TVA. Our intent is not to seek specific commitments from Mr. Waters on these issues, but we do believe in the importance of establishing where Mr. Waters stands on grounds of principle and the guidance he expects to bring to TVA in these areas. In order to facilitate a better grasp of the questions, each is preceded by a brief note of explanation.

(1) The labor organizations representing TVA's white collar employees and their collective bargaining relationship with TVA exist in an environment which has no legislative groundrules providing a guiding framework of acceptable rules of behavior and conflict resolution in the arena of labor-management relations. TVA controls the collective bargaining process at whim with the power to refuse to negotiate, and employees have no recourse. In the last few years this has led to numerous problems and several unilateral actions have been taken by TVA to the detriment of a mutually advantageous relationship between management and labor. Such actions include the revocation of binding arbitration on salary disputes, threats of cancellation of the collective bargaining agreement and implementation of a merit pay plan about which TVA refuses to share any substantive information on the award criteria or availability and distribution of economic rewards.

Mr. Waters should state where he stands on these issues. Should an industrial relations framework be established via legislation, or does the nominee believe TVA should resist diluting its discretionary power in the area of labor-management relations?

(2) Mr. Waters' immediate predecessor, S. David Freeman, stated shortly before leaving office that "his one regret...was that 'we didn't do enough in employee relations.'" Also, the current Chairman of the TVA Board of Directors, C. H. Dean, has pointed out that a high priority in TVA should be the re-establishment of a stable work environment for employees. Does Mr. Waters have any new ideas or goals to bring to the Board in the area of employee relations?

(3) A recurring problem in working out differences with TVA's personnel and labor relations managers has been the intervention of TVA's General Counsel without any sensitivity to employer-employee relations. For example, in March of 1984 each TVA employee received a memorandum and attached waiver drafted by General Counsel regarding legal claims of TVA employees in suits against fellow employees.

While the problem TVA was attempting to rectify was legitimate from the union's point of view, the method and mechanism were totally inconsiderate, and were not presented with adequate explanation. In general, what role does Mr. Waters see for the Office of General Counsel in labor relations and personnel matters?

The Salary Policy Employee Panel made up of five labor organizations representing 15,000 TVA white collar employees stands ready to elaborate on any of the issues outlined above or on related issues of interest to the Senator or the Committee. We believe it is critical to guage the perspective of any TVA Board nominee over a broad spectrum of policy oriented issues. We further believe that the organized labor component of TVA stands committed to the purposes of resource development of the Tennessee Valley for the people of the region and of the United States.

We ask only for due consideration and an honest statement of guiding principles which can be expected from a potential TVA Board member on issues that run deep in our memberships.

We have taken the liberty of enclosing a copy of our recent letter to the Tennessee Valley Congressional Delegation describing some of the TVA labor relations problems. Please feel free to pose any questions or concerns that are raised by that letter to Mr. Waters.

Thank you very much for your time and consideration. We sincerely appreciate your effort to bring those questions into the hearing process and would appreciate both of these letters being made part of the hearing record.

Respectfully submitted,

James W. Eickman
Secretary

cm

cc: Committee members, Environment
and Public Works Committee
TVA Congressional Valley Delegation
TVA Labor Relations Staff
Mr. Mark Haynes

Enclosure

PANEL

"Representing" TVA SALARY POLICY EMPLOYEES

James W. Eickman, Secretary ■ 908 BURWELL BUILDING, KNOXVILLE, TN 37902 ■ (615) 637-7901

July 10, 1984

The Honorable James R. Sasser
298 Russell Building
Washington, DC 20515

Dear Senator Sasser:

The Salary Policy Employee Panel (Panel) made up of five labor organizations representing 15,000 TVA white-collar employees, has been meeting diligently with TVA representatives in joint efforts to resolve major differences prior to formal negotiations beginning September 10, 1984. Although we have not contacted you since 1981 when you were instrumental in blocking TVA's highly-criticized bonus scheme, we feel compelled to respond now to TVA's letter sent to the entire Congressional Valley delegation describing TVA's view of its labor relations problems. We were surprised and disappointed to learn TVA had escalated these negotiation problems by contacting Congress. We thought there was an understanding we would negotiate with each other, instead of with Congress and the media. TVA's explanation was that "Congress is one of our constituencies and must be kept informed." Please be assured that the 15,000 represented TVA white-collar employees, their families, neighbors and friends also regard Congress as one of their primary constituencies.

In these labor negotiations we are trying to regain some of the benefits TVA took away from us, under the threat to cancel the collective bargaining agreement in 1981. If we succeed we will be able to meet TVA's proposals without sacrificing more rights of our memberships. If not, then TVA will probably let the labor contract expire to deal with employees in whatever way it wants. Despite protestations to the contrary it appears TVA is attempting to condition Congress for the elimination of the 34-year-old bargaining agreement unless TVA's demands for contract changes are fully met. As you may know TVA, a quasi-governmental corporation, is the only corporation in America that can threaten to and walk away from a long-standing labor contract because there is no legislation coverage for its employees. As you are aware, in 1978 the unions representing TVA employees believed protective labor legislation was unnecessary--that feeling does not exist today.

In its letter to you TVA emphasizes the Panel lacks the authority to commit to a final and binding agreement. We are pleased to report the Panel agrees in principle with TVA's proposed contract language changes in this regard and in addition thereto, we are developing internal procedures that will bind all five organizations to a negotiated agreement. TVA has been so informed.

Please be advised the Panel unions have never taken a position that TVA could not sub-contract certain work nor have we attempted to prevent TVA from managing in the most efficient and cost effective manner. At Congressional Hearings in 1982, a Panel organization voiced opposition to TVA's sub-contracting, on the basis it was not cost effective. Our memberships are comprised of loyal TVA employees and we thoroughly support and endorse TVA's mission. However, we did protest that TVA was not adhering to its own written policy regarding sub-contracting and an impartial arbitrator agreed this was a grievable matter. Neither the substantive issue of sub-contracting nor the merits of that particular case were arbitrated. Moreover, a proposed settlement of the issue by the Panel organization involved provided many conditions under which sub-contracting can be done along with notification to the affected Panel organization. Although that proposal was unacceptable to TVA, the Panel is still interested in working out a mutually acceptable understanding that will aid TVA in performing in a cost effective manner.

During our pre-negotiations meetings TVA has proposed we abandon the labor relations principles developed over the years in the United States in recognition that our relationship is established under the TVA Act and not pursuant to any other legislation. This is tantamount to allowing TVA to operate outside established principles of law, accounting or engineering due to TVA's unique position in the world. TVA management evidently believes the TVA Act provides management unlimited authority. From the Panel's view, one cannot look at the rights under the TVA Act and interpret them as reducing other rights that are negotiated under the labor contract.

The parties have spent long hours negotiating the rights under the labor contract, and it cannot be presumed these rights would be neutralized or obliterated by another statute. They must be accommodated. Thus far, TVA has indicated no intention of accommodating the negotiated rights of the labor contract with what is perceived as TVA management's right under the TVA Act.

We sincerely hope the foregoing gives you a more balanced picture of some of the current issues between TVA and its white-collar unions. We do not believe they are insurmountable nor do we intend for them to prevent the parties from reaching agreement this year. Both parties must try in a mature, responsible manner to deal with today's problems by accommodating both TVA and employee concerns. We have taken the liberty of providing

additional copies of this letter for your staff in order to keep them informed, as we may be compelled to contact you if continuing labor relations representation for our 15,000 members becomes a critical issue.

If you or your staff have any questions concerning these matters, please feel free to contact the undersigned.

Sincerely,

Jim Eickman

James W. Eickman
Panel Secretary
Executive Director, TVAEA

cm

cc: Valley Delegation
TVA Labor Relations Staff

National Waterways Conference, Inc., 1130 17th Street, N.W., Washington, D.C. 20036-4676

August 3, 1984

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Telephone
(202) 296-4415

Hon. Robert T. Stafford
Chairman
Committee on Environment and
Public Works
U.S. Senate
Washington, D.C. 20510

Dear Senator Stafford:

I am pleased to write you in behalf of Mr. John A. Waters, whose nomination as a member of the Board of Directors of the Tennessee Valley Authority is currently pending before the Committee on Environment and Public Works. We strongly support the confirmation of Mr. Waters' nomination.

Mr. Waters is certainly well qualified to serve on the TVA Board, having been Federal Co-Chairman of the Appalachian Regional Commission and a member of the Tennessee-Tombigbee Waterway Development Authority. Both of these agencies are directly involved in economic development activities. In 1983-84, Mr. Waters served as President of the Tennessee Bar Association, and his legal training provides another of his qualifications for the TVA position.

In the Tennessee Valley and surrounding areas, Mr. Waters is well known and highly regarded, and we urge his confirmation.

Sincerely yours,

Harry N. Cook
President

HNC:lah

Plan to attend our 1984 Annual Meeting: September 19-21, Opryland Hotel, Nashville, Tennessee